



**AGENDA  
SCOTT COUNTY  
BOARD OF COMMISSIONERS  
SHAKOPEE, MINNESOTA  
SEPTEMBER 15, 2020**

**8:00 a.m.**

**COUNTY BOARD TOUR OF NEW CONSTRUCTION PROJECT**

**9:00 a.m.**

**(1) CONVENE COUNTY BOARD**

**(2) AMENDMENTS TO THE AGENDA**

**(3) APPROVE MINUTES OF SEPTEMBER 1, 2020 COUNTY BOARD MEETING**

**(4) RECOGNITION OF INTERESTED CITIZENS**

Limited to items not on the agenda, and five minutes per person/subject. Speakers are asked to approach the microphone for the benefit of viewers and interested citizens.

**(5) INNOVATION: WE WILL TAKE INFORMED RISKS TO DELIVER SERVICES MORE EFFECTIVELY AND WILL LEARN FROM OUR SUCCESSES AND FAILURES**

5.1 Receive Information on Scott County Delivers Topic: Work to End Child Abuse and Neglect: Together WE Can (*No fiscal impact*)

**(6) CONSENT AGENDA**

***Stewardship: We will work proactively to make investments, guided by resident input, which will transform lives, communities, and government***

6.1 Adopt Resolution No. 2020-140; Providing for the Issuance and Sale of General Obligation Law Enforcement Center Refunding Bonds, Series 2020A-Current Refunding of Series 2012A, in the Proposed Aggregate Principle Amount of \$16,900,000 (*Anticipated annual average savings of \$238,000*)

6.2 Adopt Resolution No. 2020-141; Authorizing Entering Into a Purchase Agreement With Minnesota Counties Computer Cooperative (MnCCC) for the Purchase of AdobeSign, an e-Signature Solution Using Coronavirus Aid, Relief, and Economic Security (CARES) Act Funding (*No fiscal impact-utilizing CARES Act funds*)

6.3 Adopt Resolution No. 2020-143; Authorizing the Purchase of WebEx Software Using Coronavirus Aid, Relief, and Economic Security (CARES) Act Special Revenue (*No fiscal impact-utilizing CARES Act funds*)

6.4 Adopt Resolution No. 2020-144; Approving the Preliminary 2021 Budget and Levy of \$33,350 for the Scott County Vermillion River Watershed Special Taxing District (*Sets the preliminary levy and budget for 2021*)

6.5 Adopt Resolution No. 2020-146; Authorizing the Purchase of an Imagecast Central Count to Assist in Administering the Absentee Process Using Coronavirus Aid, Relief, and Economic Security (CARES) Act Funding (*No fiscal impact-utilizing CARES Act funding*)

6.6 Adopt Resolution No. 2020-149; Authorizing Advanced Systems Integration to Rescind Their Bid for the Government Center East/West and the Justice Center Audio/Visual Technology and Security Systems Bid Package (*No fiscal impact*)

**Stewardship: We will work proactively to make investments, guided by resident input, which will transform lives, communities, and government continued**

- 6.7** Adopt Resolution No. 2020-147; Authorizing the Government Center East/West and the Justice Center Audio/Video Technology and Security Systems Bid Package Contract be Awarded to Video Services, Inc. *(No fiscal impact)*
- 6.8** Adopt Resolution No. 2020-148; Awarding a Contract to JL Theis, Inc. for the Installation of a Traffic Signal System at County Highway 21/County Highway 91 in Credit River Township *(No fiscal impact)*
- 6.9** Adopt Resolution No. 2020-150; Authorizing Application for and Acceptance of Grant Funds From the Minnesota Department of Human Services to Implement a Community-Based Navigation Model for Families of Young Children and the Addition of a 1.0 Full-Time Equivalent Project Coordinator *(No fiscal impact)*
- 6.10** Adopt Resolution No. 2020-151; Approving the Coronavirus Aid, Relief, and Economic Security (CARES) Act Special Revenue Fund to be Authorized for Use to Cover Pandemic Response Costs Incurred in the County Operation Budget From No Earlier Than March 1, 2020 Through August 31, 2020 *(Reimburses County for funds expended)*
- 6.11** Approve Estimate of Just Compensation by Market Value Appraisals for Right-of-Way for the Reconstruction of County Highway 83 in the City of Shakopee *(No fiscal impact)*
- 6.12** Approve Estimate of Just Compensation by Market Value Appraisals for Right-of-Way for a Roundabout at County Highway 2 and County Highway 15 in Helena Township *(No fiscal impact)*
- 6.13** Approve Estimate of Just Compensation by Market Value Appraisals for Right-of-Way for a Pedestrian Bridge and Trail Along County Highway 17 at Trunk Highway 169 in the City of Shakopee *(No fiscal impact)*
- 6.14** Approve Record of Disbursements and Approve Claims *(No fiscal impact)*

**Collaboration: We will work with partners - communities, schools, faith groups, private business, and non-profit agencies - to see that services are not duplicated but rather are complimentary, aligned, and provided by the partners who can deliver the service most effectively**

- 6.15** Adopt Resolution No. 2020-145; Supporting the Proposed Incorporation of Credit River Township as a City *(No fiscal impact)*

**Customer Service: We will deliver government services in a respectful, responsive, and solution-oriented manner**

- 6.16** Approve the Request for a Home Extended Business Interim Use Permit to Operate Advanced Exhaust Solutions (Marko Popovich, Applicant and Marko and Kelly Popovich, Property Owners) in Section 12 of Cedar Lake Township *(No fiscal impact)*
- 6.17** Approve Payroll Processing of Personnel Actions *(No fiscal impact)*

**(7) CUSTOMER SERVICE: WE WILL DELIVER GOVERNMENT SERVICES IN A RESPECTFUL, RESPONSIVE, AND SOLUTION-ORIENTED MANNER**

- 7.1** Adopt Resolution No. 2020-142; Authorizing Entering Into a Service Agreement With Guild Incorporated to Provide Intensive Residential Treatment and Crisis Bed Stabilization Services *(No fiscal impact)*

**(8) COLLABORATION: WE WILL WORK WITH PARTNERS - COMMUNITIES, SCHOOLS, FAITH GROUPS, PRIVATE BUSINESS, AND NON-PROFIT AGENCIES - TO SEE THAT SERVICES ARE NOT DUPLICATED BUT RATHER ARE COMPLIMENTARY, ALIGNED, AND PROVIDED BY THE PARTNERS WHO CAN DELIVER THE SERVICE MOST EFFECTIVELY**

- 8.1** Adopt Resolution No. 2020-138; Approving the 2021 Budget in the Amount of \$14,161,686 and Payable Tax Levy in the Amount of \$3,700,036 of the Scott County Community Development Agency and Certifying Same to the County Auditor *(Sets the final levy and budget for 2021)*

- (9) **STEWARDSHIP: WE WILL WORK PROACTIVELY TO MAKE INVESTMENTS, GUIDED BY RESIDENT INPUT, WHICH WILL TRANSFORM LIVES, COMMUNITIES, AND GOVERNMENT**  
9.1 Adopt Resolution No. 2020-139; Establishing a Maximum Proposed Levy of \$78,877,211 Less \$5,962,211 Certified Property Tax Aids for a Net Levy of \$72,915,000 for the Purpose of Preparing the 2021 Proposed Property Tax Statements (*Sets the preliminary levy for 2021*)
- (10) **COMMITTEE REPORTS AND COMMISSIONER UPDATES**
- (11) **COUNTY ADMINISTRATOR UPDATE**
- (12) **RECESS FOR ATTORNEY/CLIENT MEETING**
- (13) **ADJOURN**

**FOLLOWING THE MEETING THE COUNTY BOARD WILL MEET AS  
THE SCOTT COUNTY REGIONAL RAIL AUTHORITY**

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## **UPCOMING MEETINGS**

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|--------------------|---------------------------------|
| September 29, 2020 | 9:00 a.m. County Board Workshop |
| October 6, 2020    | 9:00 a.m. County Board Meeting  |

**Lezlie A. Vermillion  
County Administrator  
(952) 496-8100**

**MINUTES**  
**BOARD OF COMMISSIONERS**  
**COUNTY OF SCOTT**  
**SEPTEMBER 1, 2020**

(1) The Board of Commissioners, in and for the County of Scott, Minnesota, met in the Courthouse Board Room in the City of Shakopee, Minnesota, and convened at 9:02 a.m., with the following members present: Commissioner Beer, presiding, Commissioner Weckman Brekke, Commissioner Wolf, and Commissioner Beard. Commissioner Ulrich participated via phone. Chair Beer announced all votes will be by roll call vote.

(2) County Staff Present:

- A. Lezlie Vermillion, County Administrator
- B. Ron Hocevar, County Attorney
- C. Scott Haas, Sheriff's Captain
- D. Patty Freeman, General Manager Scott County Parks and Trails, via phone
- E. Luke Hennen, Sheriff, via phone
- F. Lori Huss, Employee Relations Director, via phone
- G. Cindy Geis, Community Services Director, via phone
- H. Danny Lenz, Chief Financial Officer/Deputy County Administrator
- I. Dustin Kruger, Project Manager
- J. Debra Brazil, Deputy Clerk to the Board

(3) Guests Present:

- A. Joel Dunning, Wold Architects and Engineers
- B. Dustin Phillips, Kraus Anderson

(4) Minutes:

On a motion by Commissioner Wolf, seconded by Commissioner Weckman Brekke, the Minutes of August 18, 2020 were approved on a roll call vote.

(5) Consent Agenda:

A. Commissioner Ulrich moved, seconded by Commissioner Beard to approve Amendment No. 1 to School-Linked Mental Health Services Grant No. 143905 from the Minnesota Department of Human Services. The motion carried unanimously on a roll call vote.

B. Commissioner Ulrich moved, seconded by Commissioner Beard to adopt Resolution No. 2020-129; Authorizing a Second Amendment to an Agreement With Kimley-Horn and Associates for Design Consultant Services for the County Highway 27 Reconstruction Project in Credit River Township. A copy of the resolution is available in the office of the County Administrator and is made a part of this record by reference. The motion carried unanimously on a roll call vote.

C. Commissioner Ulrich moved, seconded by Commissioner Beard to adopt Resolution No. 2020-130; Accepting Grant Funding and Authorizing Execution of a Grant Agreement With the Metropolitan Council for Fiscal Year 2021 Metropolitan Area Regional Parks Operation and Maintenance Allocation. A copy of the resolution is available in the office of the County Administrator and is made a part of this record by reference. The motion carried unanimously on a roll call vote.



D. Commissioner Ulrich moved, seconded by Commissioner Beard to adopt Resolution No. 2020-131; Authorizing Submittal of Trunk Highway 169 Highway Projects Grant Applications to the Minnesota Department of Transportation for Consideration of Funding Through the Minnesota Highway Freight Program. A copy of the resolution is available in the office of the County Administrator and is made a part of this record by reference. The motion carried unanimously on a roll call vote.

E. Commissioner Ulrich moved, seconded by Commissioner Beard to adopt Resolution No. 2020-132; Awarding the Contract to Dunham Associates, Inc. for the Commissioning of Heating, Ventilation, and Air Conditioning Service in the Justice Center, Government Center I, and Government Center II in the Amount of \$118,200. A copy of the resolution is available in the office of the County Administrator and is made a part of this record by reference. The motion carried unanimously on a roll call vote.

F. Commissioner Ulrich moved, seconded by Commissioner Beard to adopt Resolution No. 2020-134; Authorizing Entering Into a Legal Settlement and Approving the Conveyance of Property as Part of the Settlement for the Trunk Highway 169 and Trunk Highway 41 Interchange Project Located in Jackson and Louisville Townships. A copy of the resolution is available in the office of the County Administrator and is made a part of this record by reference. The motion carried unanimously on a roll call vote.

G. Commissioner Ulrich moved, seconded by Commissioner Beard to adopt Resolution No. 2020-135; Authorizing the Purchase of Communications Equipment in the Amount of \$325,000 Using Coronavirus Aid, Relief, and Economics Security (CARES) Act Special Revenue. A copy of the resolution is available in the office of the County Administrator and is made a part of this record by reference. The motion carried unanimously on a roll call vote.

H. Commissioner Ulrich moved, seconded by Commissioner Beard to adopt Resolution No. 2020-136; Approving Coronavirus Aid, Relief, and Economic Security (CARES) Act Funding to be Authorized for Use to Cover Increased Costs for Expenses Included in Operating Budgets. A copy of the resolution is available in the office of the County Administrator and is made a part of this record by reference. The motion carried unanimously on a roll call vote.

I. Commissioner Ulrich moved, seconded by Commissioner Beard to adopt Resolution No. 2020-137; Authorizing the Purchase of CivicOptimize Software in the Amount of \$35,085 Using Coronavirus Aid, Relief, and Economic Security (CARES) Act Special Revenue. A copy of the resolution is available in the office of the County Administrator and is made a part of this record by reference. The motion carried unanimously on a roll call vote.

J. On the recommendation of the Louisville Town Board and the Scott County Planning Advisory Commission, Commissioner Ulrich moved, seconded by Commissioner Beard to approve the request for a Conditional Use Permit Amendment for indoor commercial recreation facility, bar/restaurant, and outdoor commercial recreation facility (Shakopee Bowl, LLC, Applicant and Property Owner) in Section 22 of Louisville Township. This action is in accordance with Chapters 2, 16, and 50 of Scott County Zoning Ordinance No. 3 based on the criteria listed for approval. The motion carried unanimously on a roll call vote.

K. On the recommendation of the County Administrator, Commissioner Ulrich moved, seconded by Commissioner Beard to approve the payroll processing of personnel actions indicated below and certified by the Employee Relations Director and the Appointing Authority to be in compliance with provisions of Minnesota Statutes 375.56 - 375.71 and the Scott County Merit Personnel System:

1. Separation of employment for Jessica Hoyt Rudi, FT Data and Research Analyst, Administration Division, effective 08/19/20.
2. Separation of employment for Marilyn Clemmer, PT (34% FTE) Library Aide – Unclassified, Administration Division, effective 04/30/20.
3. FT Temporary employment for Sagal Odawa, Community Health Specialist – Unclassified, Health and Human Services, effective 08/17/20.

4. FT Temporary employment for Kelly Brinker, Community Health Specialist – Unclassified, Health and Human Services, effective 08/17/20.
5. FT Probationary employment for Sarah Underdahl, Therapist, Health and Human Services, effective 09/09/20.
6. PT (90% FTE) Probationary employment for Nina Erickson, Public Health Nurse, Health and Human Services, effective 08/31/20.
7. Change in status for Greg Sorenson, FT Technology Advisor - Unclassified to FT Probationary Chief Information Officer, Office of Management and Budget, effective 02/03/20.

The motion carried unanimously on a roll call vote.

- (6) Stewardship: We will work proactively to make investments, guided by resident input, which will transform lives, communities, and government:

Project Manager Dustin Kruger requested approval of the Government Center I/Justice Center renovation bid package contract awards for the Government Center Campus project. The scope of this bid package was explained. The total base bid and alternates 1, 2, and 3 for all bid scopes is \$10,299,615. Mr. Kruger gave an overall update and status report for the construction project. The budget for the project was also reviewed.

Commissioner Wolf moved, seconded by Commissioner Weckman Brekke to adopt Resolution No. 2020-133; Authorizing the Government Center I/Justice Center Renovation Bid Package Contracts Awards for the Government Center Campus Project. A copy of the resolution is available in the office of the County Administrator and is made a part of this record by reference. The motion carried unanimously on a roll call vote.

- (7) Committee Reports and Commissioner Updates:

- A. The Commissioners all participated in the County Board workshop on August 18.
- B. Commissioner Weckman Brekke attended a celebration in St. Paul on August 18 for the 100<sup>th</sup> year anniversary of the 19<sup>th</sup> Amendment which allowed women to vote.
- C. Commissioner Weckman Brekke participated in the Scott County Historical Society teleconference meeting on August 19.
- D. Commissioner Weckman Brekke met Beacon Interfaith Housing Collaborative representatives via phone on August 20.
- E. Commissioner Weckman Brekke participated in the Scott County Library Board of Advisors teleconference meeting on August 20.
- F. Commissioner Weckman Brekke participated in the Dakota-Scott Workforce Development Board meeting on August 21.
- G. Commissioner Weckman Brekke participated in the Metro Alliance for Healthy Families Board teleconference meeting on August 24.
- H. Commissioner Weckman Brekke participated in a National Association of Counties Human Services and Education Subcommittee conference call on August 26.
- I. Commissioner Weckman Brekke attended a meeting with Representative Angie Craig on August 27.
- J. Commissioners Weckman Brekke and Beard and County staff participated in a conference call with representatives of St. Francis Regional Medical Center on August 31.
- K. Commissioner Beard participated in the Minnesota Transportation Alliance teleconference meeting on August 24.
- L. Commissioners Beard and Beer participated in the Inter-Governmental Work Group teleconference meeting on August 25.
- M. Commissioner Beard participated in the Scott-Carver-Dakota Community Action Program Finance Committee teleconference meeting on August 25.
- N. Commissioner Beard met with County Administrator Lezlie Vermillion on August 26.
- O. Commissioner Beard participated in the Association of Minnesota Counties (AMC) teleconference meeting on August 28. The fall AMC Conference scheduled for December will be held virtually and Commissioner Beard has been asked to be a panel member.

P. Commissioner Ulrich participated in the Community Development Agency Board teleconference meeting on August 18.

Q. Commissioner Ulrich participated in the Metropolitan Council Transportation Advisory Board teleconference meeting on August 19.

R. Commissioners Ulrich and Beer conducted the Chair/Vice Chair planning meeting on August 25.

S. Commissioner Ulrich participated in the Minnesota Valley Transit Authority Board meeting on August 26.

T. Commissioner Wolf participated in the Scott County Employee Insurance Committee teleconference meeting on August 19.

U. Commissioner Wolf attended a Spring Lake Town Board meeting on August 19.

V. Commissioner Wolf met with the Cedar Lake Town Board Chair on August 20.

W. Commissioner Wolf participated in the Scott Watershed Management Organization Planning Commission teleconference meeting on August 24.

X. Commissioners Wolf and Beard participated in the Metropolitan Mosquito Control District teleconference meeting on August 26.

Y. Commissioner Wolf met with Scott County Planning staff on August 26 regarding a proposed helipad in Cedar Lake Township.

Z. Commissioner Wolf met with Ms. Vermillion on August 27.

AA. Commissioner Wolf participated in the Vermillion River Watershed Joint Powers Board teleconference meeting on August 27.

AB. Commissioner Wolf attended the Elko New Market City Council meeting on August 27.

AC. Commissioner Wolf reported receiving numerous calls regarding broadband and the proposed helipad.

AD. Commissioner Beer participated in a White House conference call on August 19.

AE. Commissioner Beer participated in a teleconference meeting on August 20 regarding the SCENE and other methods of communicating with Scott County residents.

(8) County Administrator Update:

- Scott County received a National Association of Counties 2020 Achievement Award for its Readmobile program.
- Scott County received a thank you from the Hennepin County Medical Examiner's office for Scott County's partnership in their time of need.
- Updates were given on the Coronavirus Aid, Relief, and Economic Security (CARES) Act fund grants for small businesses, daycares, and farmers; housing; and broadband.
- The solution for absentee voting for the general election was explained. The Commissioners requested they be given specific information regarding the process in order to answer questions from residents.
- The joint meeting of the Scott County Board of Commissioners and the Three Rivers Park District Board of Commissioners is Thursday, September 10, 1:00 p.m. This will be a virtual meeting.
- The ribbon cutting for the Trunk Highway 169/Trunk Highway 41/County Highway 78 interchange is Friday, September 11, at 10:30 a.m.
- The County Board will be touring the building construction project on September 15 at 8:00 a.m. The County Board meeting will follow at 9:00 a.m.
- A County Board workshop is scheduled for September 29 at 9:00 a.m.
- The ribbon cutting for the intensive residential treatment services facility in Savage is September 29 at 1:00 p.m. The ribbon cutting is by invitation only.
- County offices will be closed Monday, September 7, in observance of Labor Day.
- Public Health Director Lisa Brodsky presented an update on the COVID-19 pandemic and testing being conducted by Scott County.

On a motion by Commissioner Wolf, seconded by Commissioner Weckman Brekke, the meeting adjourned 10:41 a.m.

David Beer  
Chair

Lezlie A. Vermillion  
County Administrator  
Clerk of the Board

Debra K. Brazil  
Deputy Clerk to the Board

**AGENDA #5.1**  
**SCOTT COUNTY, MINNESOTA**  
**REQUEST FOR BOARD ACTION**  
**MEETING DATE: SEPTEMBER 15, 2020**

|                                |  |                        |   |
|--------------------------------|--|------------------------|---|
| <b>ORIGINATING DIVISION:</b>   | County Administration  | <b>CONSENT AGENDA:</b> | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No               |
| <b>ORIGINATING DEPARTMENT:</b> |  |                        |   |
| <b>PRESENTER:</b>              | Various  | <b>ATTACHMENTS:</b>    | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No               |
| <b>PROJECT:</b>                | Scott County Delivers  | <b>TIME REQUESTED:</b> | 60-90 minutes   |
| <b>ACTION REQUESTED:</b>       | Receive Information on Scott County Delivers Topic: Work to End Child Abuse and Neglect: Together WE Can |                        |   |
| <b>CONTRACT/POLICY/GRANT:</b>  | <input type="checkbox"/> County Attorney Review<br><input type="checkbox"/> Risk Management Review       | <b>FISCAL:</b>         | <input type="checkbox"/> Finance Review<br><input type="checkbox"/> Budget Change |

**ORGANIZATIONAL VALUES:**

- ☒ **Customer Service:** We will deliver government services in a respectful, responsive, and solution-oriented manner
- ☒ **Communication:** We will always be clear about what we're doing and why we're doing it
- ☒ **Collaboration:** We will work with partners – communities, schools, faith groups, private business, and non-profit agencies – to see that services are not duplicated but rather are complimentary, aligned and provided by the partners who can deliver the service most effectively
- ☒ **Stewardship:** We will work proactively to make investments, guided by resident input, which will transform lives, communities, and government
- ☒ **Empowerment:** We will work with individuals and families to affirm strengths, develop skills, restore hope, and promote self-reliance
- ☒ **Resiliency:** We will foster public preparedness and respond when families and communities face health and safety emergencies
- ☒ **Innovation:** We will take informed risks to deliver services more effectively and will learn from our successes and failures

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| <b>DEPARTMENT/DIVISION HEAD SIGNATURE:</b> | <b>COUNTY ADMINISTRATOR SIGNATURE:</b>   |
|  |  |
| <b>Approved:</b>                           | <b>DISTRIBUTION/FILING INSTRUCTIONS:</b> |
| <b>Denied:</b>                             |  |
| <b>Tabled:</b>                             |  |
| <b>Other:</b>                              |  |
| <b>Deputy Clerk :</b>                      |  |
| <b>Date:</b>                               |  |

**Background/Justification:**

The purpose of this agenda item is to receive information on Scott County Delivers Topic: Work to End Child Abuse and Neglect: Together WE Can.

County programs support safe, healthy and livable communities. These programs are tied to Community Indicators which provide on a high level some indication of overall program effectiveness. Scott County Delivers is a discussion on the Key Performance Indicators (KPIs) for County programs and Strategic Initiatives and how they are performing. These County programs also utilize business measures to track the effectiveness of programs as well as operational efficiencies. Scott County Delivers provides staff an

opportunity to discuss programs and their data and shows what is working and not working in a broader setting.

Broader discussion on this data leads to understanding program impacts and overlaps between other departments and agencies. Understanding and discussing the data provides opportunities for broader collaborations, and improving process, technology, or staffing gaps.

To view materials including an overview of the program, outcomes, and measures, [click here](#).

Fiscal Impact:

None

**AGENDA #6.1**  
**SCOTT COUNTY, MINNESOTA**  
**REQUEST FOR BOARD ACTION**  
**MEETING DATE: SEPTEMBER 15, 2020**

|                                |   |                        |  |
|--------------------------------|---|------------------------|--|
| <b>ORIGINATING DIVISION:</b>   | OMB   | <b>CONSENT AGENDA:</b> | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No                          |
| <b>ORIGINATING DEPARTMENT:</b> | Budget & Strategic Planning   |                        |  |
| <b>PRESENTER:</b>              | Danny Lenz  | <b>ATTACHMENTS:</b>    | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No                          |
| <b>PROJECT:</b>                |   | <b>TIME REQUESTED:</b> | N/A  |
| <b>ACTION REQUESTED:</b>       | Adopt Resolution No. 2020-140; Providing for the Issuance and Sale of General Obligation Law Enforcement Center Refunding Bond, Series 2020A, in the Proposed Aggregated Principle Amount of \$16,900,000 |                        |  |
| <b>CONTRACT/POLICY/GRANT:</b>  | <input type="checkbox"/> County Attorney Review<br><input type="checkbox"/> Risk Management Review  | <b>FISCAL:</b>         | <input checked="" type="checkbox"/> Finance Review<br><input type="checkbox"/> Budget Change |

**ORGANIZATIONAL VALUES:**

- ☐ **Customer Service:** We will deliver government services in a respectful, responsive, and solution-oriented manner
- ☐ **Communication:** We will always be clear about what we're doing and why we're doing it
- ☐ **Collaboration:** We will work with partners – communities, schools, faith groups, private business, and non-profit agencies – to see that services are not duplicated but rather are complimentary, aligned and provided by the partners who can deliver the service most effectively
- ☒ **Stewardship:** We will work proactively to make investments, guided by resident input, which will transform lives, communities, and government
- ☐ **Empowerment:** We will work with individuals and families to affirm strengths, develop skills, restore hope, and promote self-reliance
- ☐ **Resiliency:** We will foster public preparedness and respond when families and communities face health and safety emergencies
- ☐ **Innovation:** We will take informed risks to deliver services more effectively and will learn from our successes and failures

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|--|--|
| <b>DEPARTMENT/DIVISION HEAD SIGNATURE:</b> | <b>COUNTY ADMINISTRATOR SIGNATURE:</b>   |
|  |  |
| <b>Approved:</b>                           | <b>DISTRIBUTION/FILING INSTRUCTIONS:</b> |
| <b>Denied:</b>                             |  |
| <b>Tabled:</b>                             |  |
| <b>Other:</b>                              |  |
| <b>Deputy Clerk :</b>                      |  |
| <b>Date:</b>                               |  |

**Background/Justification:**

The purposed of this agenda item is to Adopt Resolution No. 2020-140; Providing for the Issuance and Sale of General Obligation Law Enforcement Center Refunding Bond, Series 2020A, in the Proposed Aggregated Principle Amount of \$16,900,000.

The General Obligation (GO) bonds that were utilized for the construction of the Law Enforcement Center will be eligible for refunding in October of this year. Based on the current interest rate market for tax-exempt GO bonds, the County would save a substantial amount by issuing refunding bonds.

Based on estimated interest rates, the County will save \$3,092,839 over the life of the bond in interest payments, including more than \$138,000 in 2021, and just under \$214,000 in 2022. The average estimated savings is \$238,000 each year, but due to the original bond structure the savings fluctuate from year-to-year. The County is not extending the term of the bond, it will still be paid off in 2033, but is benefiting from the reduced interest payment.

The new bonds will be sold on November 24<sup>th</sup> to coincide with the sale of Scott County Community Development Authority refunding bonds. The ratings call for the bonds is scheduled for October 12<sup>th</sup>, with the rating issues by Friday, October 16<sup>th</sup>. The resolution also authorizes the County to enter into an agreement with Baker Tilley as the County's municipal advisor and agent regarding the sale of the bonds.

Fiscal Impact:

It is estimated that the interest savings from the refunding in 2021 will be approximately \$138,000, increasing to \$214,000 in 2022. The savings through the rest of the term of the bond varies from year to year, but on average will save \$238,000 each year. These savings will allow for the reduction of the County's debt service levy.



**BOARD OF COUNTY COMMISSIONERS  
SCOTT COUNTY, MINNESOTA**

|                                  |                    |
|----------------------------------|--------------------|
| <b>Date:</b>                     | September 15, 2020 |
| <b>Resolution No.:</b>           | 2020-140           |
| <b>Motion by Commissioner:</b>   |                    |
| <b>Seconded by Commissioner:</b> |                    |

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RESOLUTION NO. 2020-140; PROVIDING FOR THE ISSUANCE AND SALE OF GENERAL  
OBLIGATION LAW ENFORCEMENT CENTER REFUNDING BONDS, SERIES 2020A, IN THE  
PROPOSED AGGREGATE PRINCIPAL AMOUNT OF \$16,900,000

BE IT RESOLVED By the Board of Commissioners (the "Board") of Scott County, Minnesota (the "County") as follows:

1. Authorization. It is hereby determined that:

(a) On April 26, 2012, the County issued its General Obligation Law Enforcement Center Refunding Bonds, Series 2012A (the "Refunded Bonds"), dated as of April 15, 2012, in the original aggregate principal amount of \$24,570,000, currently outstanding in the principal amount of \$18,090,000, of which \$16,920,000 in principal amount is subject to optional redemption on or after February 1, 2021. The Refunded Bonds were issued pursuant to Minnesota Statutes, Chapter 475, as amended, and Minnesota Statutes, Section 641.23, as amended (collectively, the "Act"), and the proceeds thereof were used to refinance the construction of a jail, law enforcement center, and emergency operations center in the County through the crossover refunding of the County's General Obligation Law Enforcement Center Bonds, Series 2003A.

(b) The County is authorized by Section 475.67, subdivision 3 of the Act to issue and sell its general obligation bonds to refund obligations and the interest thereon before the due date of the obligations, if consistent with covenants made with the holders thereof, when determined by the Board to be necessary or desirable for the reduction of debt service costs to the County or for the extension or adjustment of maturities in relation to the resources available for their payment.

(c) It is necessary and desirable for the reduction of debt service costs to the County to issue its General Obligation Law Enforcement Center Refunding Bonds, Series 2020A (the "Bonds"), in the proposed principal amount of \$16,900,000, pursuant to the Act, specifically Section 475.67, subdivision 3, in order to redeem and prepay the Refunded Bonds.

(d) The County is authorized by Section 475.60, subdivision 2(9) of the Act to negotiate the sale of the Bonds, it being determined that the County has retained an independent municipal advisor in connection with such sale. The actions of the County staff and the County's municipal advisor in negotiating the sale of the Bonds are ratified and confirmed in all respects.

2. Sale of Bonds. To provide funds to redeem and prepay the Refunded Bonds, the County will therefore issue and sell the Bonds in the proposed aggregate principal amount of \$16,900,000, which amount is subject to adjustment in accordance with the official Terms of Proposal (the "Terms of Proposal"). The Bonds will be issued, sold and delivered in accordance with the Terms of Proposal attached hereto as EXHIBIT A.

**BOARD OF COUNTY COMMISSIONERS  
SCOTT COUNTY, MINNESOTA**

|                                  |                    |
|----------------------------------|--------------------|
| <b>Date:</b>                     | September 15, 2020 |
| <b>Resolution No.:</b>           | 2020-140           |
| <b>Motion by Commissioner:</b>   |                    |
| <b>Seconded by Commissioner:</b> |                    |

3. Authority of Municipal Advisor. The Board authorizes the County Administrator to enter into a contract with Baker Tilly US, LLP and its subsidiary, Baker Tilly Municipal Advisors, LLC (the "Municipal Advisor"). The Municipal Advisor is authorized and directed to negotiate the sale of the Bonds in accordance with the Terms of Proposal. The Board will meet at 9:00 a.m. on Tuesday, October 20, 2020, or on another date selected by the County Administrator, to consider proposals on the Bonds and take any other appropriate action with respect to the Bonds.

4. Authority of Bond Counsel. The law firm of Kennedy & Graven, Chartered, as bond counsel for the County ("Bond Counsel"), is authorized to act as bond counsel and to assist in the preparation and review of necessary documents, certificates and instruments relating to the Bonds. The officers, employees and agents of the County are hereby authorized to assist Bond Counsel in the preparation of such documents, certificates, and instruments.

5. Covenants. In the resolution awarding the sale of the Bonds, the Board will set forth the covenants and undertakings required by the Act.

6. Official Statement. In connection with the sale of the Bonds, the officers or employees of the County are authorized and directed to cooperate with the Municipal Advisor and participate in the preparation of an official statement for the Bonds and to execute and deliver it on behalf of the County upon its completion.

(The remainder of this page is intentionally left blank.)

| <b>COMMISSIONERS</b> | <b>VOTE</b>                  |                             |                                 |                                  |
|----------------------|------------------------------|-----------------------------|---------------------------------|----------------------------------|
| Weckman Brekke       | <input type="checkbox"/> Yes | <input type="checkbox"/> No | <input type="checkbox"/> Absent | <input type="checkbox"/> Abstain |
| Wolf                 | <input type="checkbox"/> Yes | <input type="checkbox"/> No | <input type="checkbox"/> Absent | <input type="checkbox"/> Abstain |
| Beard                | <input type="checkbox"/> Yes | <input type="checkbox"/> No | <input type="checkbox"/> Absent | <input type="checkbox"/> Abstain |
| Beer                 | <input type="checkbox"/> Yes | <input type="checkbox"/> No | <input type="checkbox"/> Absent | <input type="checkbox"/> Abstain |
| Ulrich               | <input type="checkbox"/> Yes | <input type="checkbox"/> No | <input type="checkbox"/> Absent | <input type="checkbox"/> Abstain |

**State of Minnesota)**  
**County of Scott )**

I, Lezlie Vermillion, duly appointed qualified County Administrator for the County of Scott, State of Minnesota, do hereby certify that I have compared the foregoing copy of a resolution with the original minutes of the proceedings of the Board of County Commissioners, Scott County, Minnesota, at their session held on the 15<sup>th</sup> day of September, 2020 now on file in my office, and have found the same to be a true and correct copy thereof.

Witness my hand and official seal at Shakopee, Minnesota, this 15<sup>th</sup> day of September, 2020.

\_\_\_\_\_  
County Administrator  
\_\_\_\_\_  
Administrator's Designee

**EXHIBIT A**  
**TERMS OF PROPOSAL**

THE COUNTY HAS AUTHORIZED BAKER TILLY MUNICIPAL ADVISORS, LLC TO NEGOTIATE THIS ISSUE ON ITS BEHALF. PROPOSALS WILL BE RECEIVED ON THE FOLLOWING BASIS:

TERMS OF PROPOSAL

\$16,900,000\*

SCOTT COUNTY, MINNESOTA

GENERAL OBLIGATION LAW ENFORCEMENT  
CENTER REFUNDING BONDS, SERIES 2020A

(BOOK ENTRY ONLY)

Proposals for the above-referenced obligations (the “Bonds”) will be received by Scott County, Minnesota (the “County”) on Monday, October 19, 2020, (the “Sale Date”) until 1:00 P.M., Central Time (the “Sale Time”) at the offices of Baker Tilly Municipal Advisors, LLC (“Baker Tilly MA”), 380 Jackson Street, Suite 300, Saint Paul, Minnesota, 55101, after which time proposals will be opened and tabulated. Consideration for award of the Bonds will be by the Board of Commissioners at its meeting commencing at 9:00 A.M., Central Time, of the following day, Tuesday, October 20, 2020.

SUBMISSION OF PROPOSALS

Baker Tilly MA will assume no liability for the inability of a bidder or its proposal to reach Baker Tilly MA prior to the Sale Time, and neither the County nor Baker Tilly MA shall be responsible for any failure, misdirection or error in the means of transmission selected by any bidder.. All bidders are advised that each proposal shall be deemed to constitute a contract between the bidder and the County to purchase the Bonds regardless of the manner in which the proposal is submitted.

(a) **Sealed Bidding.** Completed, signed proposals may be submitted to Baker Tilly MA by email to [bondservice@bakertilly.com](mailto:bondservice@bakertilly.com) or by fax (651) 223-3046, and must be received prior to the Sale Time.

**OR**

(b) **Electronic Bidding.** Proposals may also be received via PARITY®. For purposes of the electronic bidding process, the time as maintained by PARITY® shall constitute the official time with respect to all proposals submitted to PARITY®. *Each bidder shall be solely responsible for making necessary arrangements to access PARITY® for purposes of submitting its electronic proposal in a timely manner and in compliance with the requirements of the Terms of Proposal.* Neither the County, its agents, nor PARITY® shall have any duty or obligation to undertake registration to bid for any prospective bidder or to provide or ensure electronic access to any qualified prospective bidder, and neither the County, its agents, nor PARITY® shall be responsible for a bidder’s failure to register to bid or for any failure in the proper operation of, or have any liability for any delays or interruptions of or any damages caused by the services of PARITY®. The County is using the services of PARITY® solely as a communication mechanism to conduct the electronic bidding for the Bonds, and PARITY® is not an agent of the County.

If any provisions of this Terms of Proposal conflict with information provided by PARITY®, this Terms of Proposal shall control. Further information about PARITY®, including any fee charged, may be obtained from:

PARITY®, 1359 Broadway, 2<sup>nd</sup> Floor, New York, New York 10018  
Customer Support: (212) 849-5000

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\* Preliminary; subject to change.

## DETAILS OF THE BONDS

The Bonds will be dated as of the date of delivery and will bear interest payable on February 1 and August 1 of each year, commencing August 1, 2021. Interest will be computed on the basis of a 360-day year of twelve 30-day months.

The Bonds will mature February 1 in the years and amounts\* as follows:

|      |             |      |             |      |             |      |             |
|------|-------------|------|-------------|------|-------------|------|-------------|
| 2022 | \$1,275,000 | 2025 | \$1,355,000 | 2028 | \$1,420,000 | 2031 | \$1,485,000 |
| 2023 | \$1,300,000 | 2026 | \$1,385,000 | 2029 | \$1,440,000 | 2032 | \$1,510,000 |
| 2024 | \$1,330,000 | 2027 | \$1,405,000 | 2030 | \$1,460,000 | 2033 | \$1,535,000 |

\* *The County reserves the right, after proposals are opened and prior to award, to increase or reduce the principal amount of the Bonds or the amount of any maturity or maturities in multiples of \$5,000. In the event the amount of any maturity is modified, the aggregate purchase price will be adjusted to result in the same gross spread per \$1,000 of Bonds as that of the original proposal. Gross spread for this purpose is the differential between the price paid to the County for the new issue and the prices at which the proposal indicates the securities will be initially offered to the investing public.*

Proposals for the Bonds may contain a maturity schedule providing for a combination of serial bonds and term bonds. All term bonds shall be subject to mandatory sinking fund redemption at a price of par plus accrued interest to the date of redemption scheduled to conform to the maturity schedule set forth above. In order to designate term bonds, the proposal must specify "Years of Term Maturities" in the spaces provided on the proposal form.

## BOOK ENTRY SYSTEM

The Bonds will be issued by means of a book entry system with no physical distribution of Bonds made to the public. The Bonds will be issued in fully registered form and one Bond, representing the aggregate principal amount of the Bonds maturing in each year, will be registered in the name of Cede & Co. as nominee of The Depository Trust Company ("DTC"), New York, New York, which will act as securities depository for the Bonds. Individual purchases of the Bonds may be made in the principal amount of \$5,000 or any multiple thereof of a single maturity through book entries made on the books and records of DTC and its participants. Principal and interest are payable by the registrar to DTC or its nominee as registered owner of the Bonds. Transfer of principal and interest payments to participants of DTC will be the responsibility of DTC; transfer of principal and interest payments to beneficial owners by participants will be the responsibility of such participants and other nominees of beneficial owners. The lowest bidder (the "Purchaser"), as a condition of delivery of the Bonds, will be required to deposit the Bonds with DTC.

## REGISTRAR

The County will name the registrar which shall be subject to applicable regulations of the Securities and Exchange Commission. The County will pay for the services of the registrar.

## OPTIONAL REDEMPTION

The County may elect on February 1, 2030, and on any day thereafter, to redeem Bonds due on or after February 1, 2031. Redemption may be in whole or in part and if in part at the option of the County and in such manner as the County shall determine. If less than all Bonds of a maturity are called for redemption, the County will notify DTC of the particular amount of such maturity to be redeemed. DTC will determine by lot the amount of each participant's interest in such maturity to be redeemed and each participant will then select by lot the beneficial ownership interests in such maturity to be redeemed. All redemptions shall be at a price of par plus accrued interest.



## SECURITY AND PURPOSE

The Bonds will be general obligations of the County for which the County will pledge its full faith and credit and power to levy direct general ad valorem taxes. The proceeds of the Bonds will be used to refund the February 1, 2022 through February 1, 2033 maturities of the County's General Obligation Law Enforcement Center Refunding Bonds, Series 2012A, dated April 15, 2012.

## NOT BANK QUALIFIED TAX-EXEMPT OBLIGATIONS

The County will not designate the Bonds as qualified tax-exempt obligations for purposes of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

## BIDDING PARAMETERS

Proposals shall be for not less than \$16,900,000 (Par) plus accrued interest, if any, on the total principal amount of the Bonds. Rates shall be in integral multiples of 1/100 or 1/8 of 1%. The initial price to the public for each maturity as stated on the proposal must be 98.0% or greater. Bonds of the same maturity shall bear a single rate from the date of the Bonds to the date of maturity. No conditional proposals will be accepted. No proposal can be withdrawn or amended after the time set for receiving proposals on the Sale Date unless the meeting of the County scheduled for award of the Bonds is adjourned, recessed, or continued to another date without award of the Bonds having been made.

## ESTABLISHMENT OF ISSUE PRICE

In order to provide the County with information necessary for compliance with Section 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations promulgated thereunder (collectively, the "Code"), the Purchaser will be required to assist the County in establishing the issue price of the Bonds and shall complete, execute, and deliver to the County prior to the closing date, a written certification in a form acceptable to the Purchaser, the County, and Bond Counsel (the "Issue Price Certificate") containing the following for each maturity of the Bonds (and, if different interest rates apply within a maturity, to each separate CUSIP number within that maturity): (i) the interest rate; (ii) the reasonably expected initial offering price to the "public" (as said term is defined in Treasury Regulation Section 1.148-1(f) (the "Regulation")) or the sale price; and (iii) pricing wires or equivalent communications supporting such offering or sale price. Any action to be taken or documentation to be received by the County pursuant hereto may be taken or received on behalf of the County by Baker Tilly MA.

The County intends that the sale of the Bonds pursuant to this Terms of Proposal shall constitute a "competitive sale" as defined in the Regulation based on the following:

- (i) the County shall cause this Terms of Proposal to be disseminated to potential bidders in a manner that is reasonably designed to reach potential bidders;
- (ii) all bidders shall have an equal opportunity to submit a bid;
- (iii) the County reasonably expects that it will receive bids from at least three bidders that have established industry reputations for underwriting municipal bonds such as the Bonds; and
- (iv) the County anticipates awarding the sale of the Bonds to the bidder who provides a proposal with the lowest true interest cost, as set forth in this Terms of Proposal (See "AWARD" herein).

Any bid submitted pursuant to this Terms of Proposal shall be considered a firm offer for the purchase of the Bonds, as specified in the proposal. The Purchaser shall constitute an "underwriter" as said term is defined in the Regulation. By submitting its proposal, the Purchaser confirms that it shall require any agreement among underwriters, a selling group agreement, or other agreement to which it is a party relating to the initial sale of the Bonds, to include provisions requiring compliance with the provisions of the Code and the Regulation regarding the initial sale of the Bonds.

If all of the requirements of a “competitive sale” are not satisfied, the County shall advise the Purchaser of such fact prior to the time of award of the sale of the Bonds to the Purchaser. **In such event, any proposal submitted will not be subject to cancellation or withdrawal.** Within twenty-four (24) hours of the notice of award of the sale of the Bonds, the Purchaser shall advise the County and Baker Tilly MA if 10% of any maturity of the Bonds (and, if different interest rates apply within a maturity, to each separate CUSIP number within that maturity) has been sold to the public and the price at which it was sold. The County will treat such sale price as the “issue price” for such maturity, applied on a maturity-by-maturity basis. The County will not require the Purchaser to comply with that portion of the Regulation commonly described as the “hold-the-offering-price” requirement for the remaining maturities, but the Purchaser may elect such option. If the Purchaser exercises such option, the County will apply the initial offering price to the public provided in the proposal as the issue price for such maturities. If the Purchaser does not exercise that option, it shall thereafter promptly provide the County and Baker Tilly MA the prices at which 10% of such maturities are sold to the public; provided such determination shall be made and the County and Baker Tilly MA notified of such prices whether or not the closing date has occurred, until the 10% test has been satisfied as to each maturity of the Bonds or until all of the Bonds of a maturity have been sold.

#### GOOD FAITH DEPOSIT

To have its proposal considered for award, the Purchaser is required to submit a good faith deposit via wire transfer to the County in the amount of \$169,000 (the “Deposit”) no later than 3:00 P.M., Central Time on the Sale Date. The Purchaser shall be solely responsible for the timely delivery of its Deposit, and neither the County nor Baker Tilly MA have any liability for delays in the receipt of the Deposit. If the Deposit is not received by the specified time, the County may, at its sole discretion, reject the proposal of the lowest bidder, direct the second lowest bidder to submit a Deposit, and thereafter award the sale to such bidder.

A Deposit will be considered timely delivered to the County upon submission of a federal wire reference number by the specified time. Wire transfer instructions will be available from Baker Tilly MA following the receipt and tabulation of proposals. The successful bidder must send an e-mail including the following information: (i) the federal reference number and time released; (ii) the amount of the wire transfer; and (iii) the issue to which it applies.

Once an award has been made, the Deposit received from the Purchaser will be retained by the County and no interest will accrue to the Purchaser. The amount of the Deposit will be deducted at settlement from the purchase price. In the event the Purchaser fails to comply with the accepted proposal, said amount will be retained by the County.

#### AWARD

The Bonds will be awarded on the basis of the lowest interest rate to be determined on a true interest cost (TIC) basis calculated on the proposal prior to any adjustment made by the County. The County's computation of the interest rate of each proposal, in accordance with customary practice, will be controlling.

The County will reserve the right to: (i) waive non-substantive informalities of any proposal or of matters relating to the receipt of proposals and award of the Bonds, (ii) reject all proposals without cause, and (iii) reject any proposal that the County determines to have failed to comply with the terms herein.

#### CUSIP NUMBERS

If the Bonds qualify for the assignment of CUSIP numbers such numbers will be printed on the Bonds; however, neither the failure to print such numbers on any Bond nor any error with respect thereto will constitute cause for failure or refusal by the Purchaser to accept delivery of the Bonds. Baker Tilly MA will apply for CUSIP numbers pursuant to Rule G-34 implemented by the Municipal Securities Rulemaking Board. The CUSIP Service Bureau charge for the assignment of CUSIP identification numbers shall be paid by the Purchaser.

## SETTLEMENT

On or about November 24, 2020, the Bonds will be delivered without cost to the Purchaser through DTC in New York, New York. Delivery will be subject to receipt by the Purchaser of an approving legal opinion of Kennedy & Graven, Chartered of Minneapolis, Minnesota, and of customary closing papers, including a no-litigation certificate. On the date of settlement, payment for the Bonds shall be made in federal, or equivalent, funds that shall be received at the offices of the County or its designee not later than 12:00 Noon, Central Time. Unless compliance with the terms of payment for the Bonds has been made impossible by action of the County, or its agents, the Purchaser shall be liable to the County for any loss suffered by the County by reason of the Purchaser's non-compliance with said terms for payment.

## CONTINUING DISCLOSURE

In accordance with SEC Rule 15c2-12(b)(5), the County will undertake, pursuant to the resolution awarding sale of the Bonds, to provide annual reports and notices of certain events. A description of this undertaking is set forth in the Official Statement. The Purchaser's obligation to purchase the Bonds will be conditioned upon receiving evidence of this undertaking at or prior to delivery of the Bonds.

## OFFICIAL STATEMENT

The County has authorized the preparation of a Preliminary Official Statement containing pertinent information relative to the Bonds, and said Preliminary Official Statement has been deemed final by the County as of the date thereof within the meaning of Rule 15c2-12 of the Securities and Exchange Commission. For an electronic copy of the Preliminary Official Statement or for any additional information prior to sale, any prospective purchaser is referred to the Municipal Advisor to the County, Baker Tilly Municipal Advisors, LLC, by telephone (651) 223-3000, or by email [bondservice@bakertilly.com](mailto:bondservice@bakertilly.com). The Preliminary Official Statement will also be made available at <https://connect.bakertilly.com/bond-sales-calendar>.

A Final Official Statement (as that term is defined in Rule 15c2-12) will be prepared, specifying the maturity dates, principal amounts, and interest rates of the Bonds, together with any other information required by law. By awarding the Bonds to the Purchaser, the County agrees that, no more than seven business days after the date of such award, it shall provide to the Purchaser an electronic copy of the Final Official Statement. The County designates the Purchaser as its agent for purposes of distributing the Final Official Statement to each syndicate member, if applicable. The Purchaser agrees that if its proposal is accepted by the County, (i) it shall accept designation and (ii) it shall enter into a contractual relationship with its syndicate members for purposes of assuring the receipt of the Final Official Statement by each such syndicate member.

Dated September 15, 2020

BY ORDER OF THE BOARD OF COMMISSIONERS

/s/ Cynthia M. Geis  
Auditor/Treasurer



**AGENDA #6.2**  
**SCOTT COUNTY, MINNESOTA**  
**REQUEST FOR BOARD ACTION**  
**MEETING DATE: SEPTEMBER 15, 2020**

|                                |  |                        |   |
|--------------------------------|--|------------------------|---|
| <b>ORIGINATING DIVISION:</b>   | Office of Management & Budget  | <b>CONSENT AGENDA:</b> | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No               |
| <b>ORIGINATING DEPARTMENT:</b> |  | <b>ATTACHMENTS:</b>    | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No               |
| <b>PRESENTER:</b>              | Jennifer Schultz, 8568   | <b>TIME REQUESTED:</b> | N/A   |
| <b>PROJECT:</b>                |  |                        |   |
| <b>ACTION REQUESTED:</b>       | Adopt Resolution No. 2020-141; Authorizing Entering Into a Purchase Agreement With Minnesota Counties Computer Cooperative (MnCCC) for the Purchase of AdobeSign, an e-Signature Solution Using Coronavirus Aid, Relief, and Economic Security (CARES) Act Funding |                        |   |
| <b>CONTRACT/POLICY/GRANT:</b>  | <input type="checkbox"/> County Attorney Review<br><input type="checkbox"/> Risk Management Review   | <b>FISCAL:</b>         | <input type="checkbox"/> Finance Review<br><input type="checkbox"/> Budget Change |

**ORGANIZATIONAL VALUES:**

- ☒ **Customer Service:** We will deliver government services in a respectful, responsive, and solution-oriented manner
- ☒ **Communication:** We will always be clear about what we're doing and why we're doing it
- ☒ **Collaboration:** We will work with partners – communities, schools, faith groups, private business, and non-profit agencies – to see that services are not duplicated but rather are complimentary, aligned and provided by the partners who can deliver the service most effectively
- ☐ **Stewardship:** We will work proactively to make investments, guided by resident input, which will transform lives, communities, and government
- ☐ **Empowerment:** We will work with individuals and families to affirm strengths, develop skills, restore hope, and promote self-reliance
- ☐ **Resiliency:** We will foster public preparedness and respond when families and communities face health and safety emergencies
- ☒ **Innovation:** We will take informed risks to deliver services more effectively and will learn from our successes and failures

|  |  |
|--|--|
| <b>DEPARTMENT/DIVISION HEAD SIGNATURE:</b> | <b>COUNTY ADMINISTRATOR SIGNATURE:</b>   |
|  |  |
| <b>Approved:</b>                           | <b>DISTRIBUTION/FILING INSTRUCTIONS:</b> |
| <b>Denied:</b>                             |  |
| <b>Tabled:</b>                             |  |
| <b>Other:</b>                              |  |
| <b>Deputy Clerk :</b>                      |  |
| <b>Date:</b>                               |  |

**Background/Justification:**

The purpose of this agenda item is to adopt Resolution No. 2020-141; Authorizing Entering into a Purchase Agreement with Minnesota Counties Computer Cooperative (MnCCC) for the purchase of AdobeSign, an e-Signature Solution, Using Coronavirus Aid, Relief, and Economic Security (CARES) Act Funding.

Since early 2020, Scott County has been impacted by an outbreak of a respiratory disease caused by a novel coronavirus that has been detected across the world, including in Minnesota.

- On March 11, the World Health Organization declared COVID-19 as a pandemic.
- On March 13, the President of the United States declared a national emergency for the COVID-19 pandemic.
- On March 13, the Governor of Minnesota declared a peacetime emergency due to the COVID-19 pandemic.
- On March 17, 2020, the Scott County Board of Commissioners declared a local state of emergency due to the COVID-19 pandemic.

On March 27, 2020, the Federal Government passed the Coronavirus Aid, Relief, and Economic Security (CARES) Act, which provides over \$2 trillion in federal economic relief to protect the American people from the public health and economic impacts of COVID-19. Part of those funds was sent to states for local allocation and disbursement.

Minnesota Governor Tim Walz, through executive authority and a legislative review committee, allocated and dispersed a portion of Minnesota's CARES Act funds as Local Government Assistance based on population targets to counties, cities, and townships throughout the state. Scott County has received \$17,719,998.

The funds may be spent by the local agencies to offset public health and economic impacts of COVID-19. In order to be eligible for the funding, expenditures must pass a three-step test:

1. Expenses must be necessary expenditures incurred due to the public health emergency with respect to the Coronavirus Disease 2019 (COVID-19).
2. They must be costs that were not accounted for in the budget most recently approved as of March 27, 2020.
3. Performance or delivery must occur during the covered period, but payment of funds need not be made during that time (though it is generally expected that this will take place within 90 days of a cost being incurred.) The County deadline is 12/1/2020.

To assist in understanding eligible expenses, the United States Department of the Treasury published two documents: *Coronavirus Relief Fund Guidance to State, Territorial, Local, and Tribal Governments Updated June 30, 2020* ("Guidance"); and *Coronavirus Relief Fund Frequently Asked Questions Updated as of August 10, 2020* ("Frequently Asked Questions").

All CARES Act Funds are subject to State and Federal audit for use of the funds. This means that any subrecipients of CARES Funds from the County must also meet audit requirements.

The Scott County Board of Commissioners met in a workshop on July 7, 2020 to discuss and reiterated at their County Board meeting on July 21, 2020, their goals for allocation of the County's CARES funds. In addition to covering unexpected costs to the County, the County Board indicated that local business support was their highest priority with housing security, food security, nonprofit support, school support, and rural broadband also being priorities. The goals behind this focus are:

- Keeping employees working or getting residents working again; and
- Filling in gaps that unemployment insurance (+ stimulus), Payroll Protection Program (PPP) and other programs didn't serve; and
- Helping businesses, organizations, and residents most harmed by the pandemic; and
- Providing support to business that can sustain and grow the economy; and
- Supporting operational changes to keep businesses operating during the pandemic; and
- Providing food support for families at risk in the short-term;
- Targeting rental and mortgage programs to those in need not covered by State;
- Supporting distance learning; and
- Supporting childcare for essential employees.

On August 4, 2020, the Scott County Board of Commissioners passed a resolution approving the establishment of a Special Revenue Fund for the CARES Act funds, targeting \$5.5 million for business support, \$2 million for housing support, and \$1 million for rural broadband.

A Scott County committee reviewed staff submissions for use of CARES Act funding based on alignment with CARES Act guidance and strategies adopted by the Scott County Board and needs of the County. The committee approved moving forward with an e-Signature solution project.

Due to COVID-19 the County has implemented a number of business model changes that have resulted in the need for an e-Signature solution. Implementation of an e-Signature solution provides ability for clients, vendors, and staff to digitally sign and share documents via the web and mobile devices remotely minimizing the need for many in-person transactions. In addition it will create hard cost savings and productivity improvements, and improve timeliness of signature gathering. It is anticipated that the main impact of improved efficiencies will be felt by Procurement, Employee Relations, Adult Services, Mental Health Center, and Child Support, although other departments will see benefits as well.

Benefits of an e-signature solution include:

- Staff efficiency savings; and
- eCitizen enhancement for clients to sign documents remotely and securely via web and mobile devices; and
- Contract signature turnaround time could decrease to expedite contract and commence services; and
- Reduce paper - Documentation could be kept electronically with digitized signature eliminating need for printing, mailing, signing, and scanning into document management system; and
- Improve information security complying with industry regulations (PCI, HIPAA) to improve audit ability and avoid loss of manually shared paper documents; and
- Ensure responsible government, increase operational efficiencies, integrate with existing systems for single sign on, and access to documents; and

The County is a member of the Minnesota Counties Computer Cooperative (MnCCC) where we work with other counties to collaborate to solve technology challenges efficiently and effectively, in part by leveraging the membership for group purchases of technology and program subscriptions. MnCCC has recently entered into an agreement with AdobeSign that the County can opt into. County staff has determined that AdobeSign will meet the needs of departments for the desired e-Signature solution. As part of the purchase, the County will need to buy a one-year subscription which will include 50,000 transactions at a cost of \$68,000. Staff believes this number of transactions will meet the County's needs and more transactions can be purchased as needed.

#### Fiscal Impact:

Scott County has received \$17,719,998 in CARES relief funds. By a resolution on August 4, 2020 a CARES Act Special Revenue Fund was created, the County Budget amended, and the funds deposited. These purchases will be coded to utilize these funds, having no impact on the Scott County operating budget.

**BOARD OF COUNTY COMMISSIONERS  
SCOTT COUNTY, MINNESOTA**

|                                  |                    |
|----------------------------------|--------------------|
| <b>Date:</b>                     | September 15, 2020 |
| <b>Resolution No.:</b>           | 2020-141           |
| <b>Motion by Commissioner:</b>   |                    |
| <b>Seconded by Commissioner:</b> |                    |

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**RESOLUTION NO. 2020-141; AUTHORIZING ENTERING INTO A PURCHASE AGREEMENT WITH  
MINNESOTA COUNTIES COMPUTER COOPERATIVE (MNCCC) FOR THE PURCHASE  
OF ADOBESIGN, AN E-SIGNATURE SOLUTION USING CORONAVIRUS AID, RELIEF,  
AND ECONOMIC SECURITY (CARES) ACT FUNDING**

WHEREAS, COVID-19, a global pandemic has caused a public health emergency at all levels of government in the United States; and

WHEREAS, response and support to affected individuals, communities, medical systems, business, and government has caused significant impact to the County as a whole; and

WHEREAS, COVID-19, has caused and will continue to cause increased service needs on County functions and additional work for staff; and

WHEREAS, COVID-19 has had significant impacts on the businesses and residents of Scott County; and

WHEREAS, the Coronavirus Aid, Relief, and Economic Security (CARES) Act, passed on March 27, 2020, provides over \$2 trillion in federal economic relief to protect the American people from the public health and economic impacts of COVID-19; and

WHEREAS, Governor Tim Walz on June 26, 2020 formally allocated funding for counties, cities, and townships in the State of Minnesota, to provide support and economic relief on a local level, with Scott County receiving \$17,719,998 from the CARES Act; and

WHEREAS, at its work session on July 7, 2020 the Scott County Board discussed their priorities for dissemination of the funds and affirmed their direction during the July 21, 2020 Board meeting; and

WHEREAS, the Federal CARES Act funds are subject to State and Federal spending requirements and subject to State and Federal Audit; and

WHEREAS, the Scott County Board of Commissioners has been presented and has approved a plan for the use of the County's allocation; and

WHEREAS, the County's plan is consistent with the United States Department of the Treasury's "Coronavirus Relief Fund Guidance to State, Territorial, Local, and Tribal Governments Updated June 30, 2020" attached and hereby incorporated as Exhibit A and "Coronavirus Relief Fund Frequently Asked Questions Updated as of August 10, 2020" attached and hereby incorporated as Exhibit B.

**BOARD OF COUNTY COMMISSIONERS  
SCOTT COUNTY, MINNESOTA**

|                                  |                    |
|----------------------------------|--------------------|
| <b>Date:</b>                     | September 15, 2020 |
| <b>Resolution No.:</b>           | 2020-141           |
| <b>Motion by Commissioner:</b>   |                    |
| <b>Seconded by Commissioner:</b> |                    |

NOW THEREFORE BE IT RESOLVED, that the Scott County Board of Commissioners does hereby authorize the purchase of AdobeSign e-signature solution in the amount of \$68,000 using the CARES Act special revenue fund.

| <b>COMMISSIONERS</b> | <b>VOTE</b>   |
|----------------------|---|
| Weckman Brekke       | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Absent <input type="checkbox"/> Abstain |
| Wolf                 | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Absent <input type="checkbox"/> Abstain |
| Beard                | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Absent <input type="checkbox"/> Abstain |
| Beer                 | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Absent <input type="checkbox"/> Abstain |
| Ulrich               | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Absent <input type="checkbox"/> Abstain |

**State of Minnesota)**  
**County of Scott    )**

I, Lezlie A. Vermillion, duly appointed qualified County Administrator for the County of Scott, State of Minnesota, do hereby certify that I have compared the foregoing copy of a resolution with the original minutes of the proceedings of the Board of County Commissioners, Scott County, Minnesota, at their session held on the 15th day of September, 2020 now on file in my office, and have found the same to be a true and correct copy thereof.

Witness my hand and official seal at Shakopee, Minnesota, this 15th day of September, 2020.

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\_\_\_\_\_  
\_\_\_\_\_

County Administrator

Administrator's Designee

**Coronavirus Relief Fund**  
**Guidance for State, Territorial, Local, and Tribal Governments**  
**Updated June 30, 2020<sup>1</sup>**

The purpose of this document is to provide guidance to recipients of the funding available under section 601(a) of the Social Security Act, as added by section 5001 of the Coronavirus Aid, Relief, and Economic Security Act (“CARES Act”). The CARES Act established the Coronavirus Relief Fund (the “Fund”) and appropriated \$150 billion to the Fund. Under the CARES Act, the Fund is to be used to make payments for specified uses to States and certain local governments; the District of Columbia and U.S. Territories (consisting of the Commonwealth of Puerto Rico, the United States Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands); and Tribal governments.

The CARES Act provides that payments from the Fund may only be used to cover costs that—

1. are necessary expenditures incurred due to the public health emergency with respect to the Coronavirus Disease 2019 (COVID-19);
2. were not accounted for in the budget most recently approved as of March 27, 2020 (the date of enactment of the CARES Act) for the State or government; and
3. were incurred during the period that begins on March 1, 2020, and ends on December 30, 2020.<sup>2</sup>

The guidance that follows sets forth the Department of the Treasury’s interpretation of these limitations on the permissible use of Fund payments.

***Necessary expenditures incurred due to the public health emergency***

The requirement that expenditures be incurred “due to” the public health emergency means that expenditures must be used for actions taken to respond to the public health emergency. These may include expenditures incurred to allow the State, territorial, local, or Tribal government to respond directly to the emergency, such as by addressing medical or public health needs, as well as expenditures incurred to respond to second-order effects of the emergency, such as by providing economic support to those suffering from employment or business interruptions due to COVID-19-related business closures.

Funds may not be used to fill shortfalls in government revenue to cover expenditures that would not otherwise qualify under the statute. Although a broad range of uses is allowed, revenue replacement is not a permissible use of Fund payments.

The statute also specifies that expenditures using Fund payments must be “necessary.” The Department of the Treasury understands this term broadly to mean that the expenditure is reasonably necessary for its intended use in the reasonable judgment of the government officials responsible for spending Fund payments.

***Costs not accounted for in the budget most recently approved as of March 27, 2020***

The CARES Act also requires that payments be used only to cover costs that were not accounted for in the budget most recently approved as of March 27, 2020. A cost meets this requirement if either (a) the

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<sup>1</sup> This version updates the guidance provided under “Costs incurred during the period that begins on March 1, 2020, and ends on December 30, 2020”.

<sup>2</sup> See Section 601(d) of the Social Security Act, as added by section 5001 of the CARES Act.



cost cannot lawfully be funded using a line item, allotment, or allocation within that budget *or* (b) the cost is for a substantially different use from any expected use of funds in such a line item, allotment, or allocation.

The “most recently approved” budget refers to the enacted budget for the relevant fiscal period for the particular government, without taking into account subsequent supplemental appropriations enacted or other budgetary adjustments made by that government in response to the COVID-19 public health emergency. A cost is not considered to have been accounted for in a budget merely because it could be met using a budgetary stabilization fund, rainy day fund, or similar reserve account.

***Costs incurred during the period that begins on March 1, 2020, and ends on December 30, 2020***

Finally, the CARES Act provides that payments from the Fund may only be used to cover costs that were incurred during the period that begins on March 1, 2020, and ends on December 30, 2020 (the “covered period”). Putting this requirement together with the other provisions discussed above, section 601(d) may be summarized as providing that a State, local, or tribal government may use payments from the Fund only to cover previously unbudgeted costs of necessary expenditures incurred due to the COVID-19 public health emergency during the covered period.

Initial guidance released on April 22, 2020, provided that the cost of an expenditure is incurred when the recipient has expended funds to cover the cost. Upon further consideration and informed by an understanding of State, local, and tribal government practices, Treasury is clarifying that for a cost to be considered to have been incurred, performance or delivery must occur during the covered period but payment of funds need not be made during that time (though it is generally expected that this will take place within 90 days of a cost being incurred). For instance, in the case of a lease of equipment or other property, irrespective of when payment occurs, the cost of a lease payment shall be considered to have been incurred for the period of the lease that is within the covered period, but not otherwise. Furthermore, in all cases it must be necessary that performance or delivery take place during the covered period. Thus the cost of a good or service received during the covered period will not be considered eligible under section 601(d) if there is no need for receipt until after the covered period has expired.

Goods delivered in the covered period need not be used during the covered period in all cases. For example, the cost of a good that must be delivered in December in order to be available for use in January could be covered using payments from the Fund. Additionally, the cost of goods purchased in bulk and delivered during the covered period may be covered using payments from the Fund if a portion of the goods is ordered for use in the covered period, the bulk purchase is consistent with the recipient’s usual procurement policies and practices, and it is impractical to track and record when the items were used. A recipient may use payments from the Fund to purchase a durable good that is to be used during the current period and in subsequent periods if the acquisition in the covered period was necessary due to the public health emergency.

Given that it is not always possible to estimate with precision when a good or service will be needed, the touchstone in assessing the determination of need for a good or service during the covered period will be reasonableness at the time delivery or performance was sought, *e.g.*, the time of entry into a procurement contract specifying a time for delivery. Similarly, in recognition of the likelihood of supply chain disruptions and increased demand for certain goods and services during the COVID-19 public health emergency, if a recipient enters into a contract requiring the delivery of goods or performance of services by December 30, 2020, the failure of a vendor to complete delivery or services by December 30, 2020, will not affect the ability of the recipient to use payments from the Fund to cover the cost of such goods or services if the delay is due to circumstances beyond the recipient’s control.

This guidance applies in a like manner to costs of subrecipients. Thus, a grant or loan, for example, provided by a recipient using payments from the Fund must be used by the subrecipient only to purchase (or reimburse a purchase of) goods or services for which receipt both is needed within the covered period and occurs within the covered period. The direct recipient of payments from the Fund is ultimately responsible for compliance with this limitation on use of payments from the Fund.

#### *Nonexclusive examples of eligible expenditures*

Eligible expenditures include, but are not limited to, payment for:

1. Medical expenses such as:
  - COVID-19-related expenses of public hospitals, clinics, and similar facilities.
  - Expenses of establishing temporary public medical facilities and other measures to increase COVID-19 treatment capacity, including related construction costs.
  - Costs of providing COVID-19 testing, including serological testing.
  - Emergency medical response expenses, including emergency medical transportation, related to COVID-19.
  - Expenses for establishing and operating public telemedicine capabilities for COVID-19-related treatment.
2. Public health expenses such as:
  - Expenses for communication and enforcement by State, territorial, local, and Tribal governments of public health orders related to COVID-19.
  - Expenses for acquisition and distribution of medical and protective supplies, including sanitizing products and personal protective equipment, for medical personnel, police officers, social workers, child protection services, and child welfare officers, direct service providers for older adults and individuals with disabilities in community settings, and other public health or safety workers in connection with the COVID-19 public health emergency.
  - Expenses for disinfection of public areas and other facilities, e.g., nursing homes, in response to the COVID-19 public health emergency.
  - Expenses for technical assistance to local authorities or other entities on mitigation of COVID-19-related threats to public health and safety.
  - Expenses for public safety measures undertaken in response to COVID-19.
  - Expenses for quarantining individuals.
3. Payroll expenses for public safety, public health, health care, human services, and similar employees whose services are substantially dedicated to mitigating or responding to the COVID-19 public health emergency.
4. Expenses of actions to facilitate compliance with COVID-19-related public health measures, such as:
  - Expenses for food delivery to residents, including, for example, senior citizens and other vulnerable populations, to enable compliance with COVID-19 public health precautions.
  - Expenses to facilitate distance learning, including technological improvements, in connection with school closings to enable compliance with COVID-19 precautions.
  - Expenses to improve telework capabilities for public employees to enable compliance with COVID-19 public health precautions.



- Expenses of providing paid sick and paid family and medical leave to public employees to enable compliance with COVID-19 public health precautions.
  - COVID-19-related expenses of maintaining state prisons and county jails, including as relates to sanitation and improvement of social distancing measures, to enable compliance with COVID-19 public health precautions.
  - Expenses for care for homeless populations provided to mitigate COVID-19 effects and enable compliance with COVID-19 public health precautions.
5. Expenses associated with the provision of economic support in connection with the COVID-19 public health emergency, such as:
    - Expenditures related to the provision of grants to small businesses to reimburse the costs of business interruption caused by required closures.
    - Expenditures related to a State, territorial, local, or Tribal government payroll support program.
    - Unemployment insurance costs related to the COVID-19 public health emergency if such costs will not be reimbursed by the federal government pursuant to the CARES Act or otherwise.
  6. Any other COVID-19-related expenses reasonably necessary to the function of government that satisfy the Fund's eligibility criteria.

*Nonexclusive examples of ineligible expenditures<sup>3</sup>*

The following is a list of examples of costs that would *not* be eligible expenditures of payments from the Fund.

1. Expenses for the State share of Medicaid.<sup>4</sup>
2. Damages covered by insurance.
3. Payroll or benefits expenses for employees whose work duties are not substantially dedicated to mitigating or responding to the COVID-19 public health emergency.
4. Expenses that have been or will be reimbursed under any federal program, such as the reimbursement by the federal government pursuant to the CARES Act of contributions by States to State unemployment funds.
5. Reimbursement to donors for donated items or services.
6. Workforce bonuses other than hazard pay or overtime.
7. Severance pay.
8. Legal settlements.

<sup>3</sup> In addition, pursuant to section 5001(b) of the CARES Act, payments from the Fund may not be expended for an elective abortion or on research in which a human embryo is destroyed, discarded, or knowingly subjected to risk of injury or death. The prohibition on payment for abortions does not apply to an abortion if the pregnancy is the result of an act of rape or incest; or in the case where a woman suffers from a physical disorder, physical injury, or physical illness, including a life-endangering physical condition caused by or arising from the pregnancy itself, that would, as certified by a physician, place the woman in danger of death unless an abortion is performed. Furthermore, no government which receives payments from the Fund may discriminate against a health care entity on the basis that the entity does not provide, pay for, provide coverage of, or refer for abortions.

<sup>4</sup> See 42 C.F.R. § 433.51 and 45 C.F.R. § 75.306.

## Exhibit B

### Coronavirus Relief Fund Frequently Asked Questions Updated as of August 10, 2020<sup>1</sup>

The following answers to frequently asked questions supplement Treasury's Coronavirus Relief Fund ("Fund") Guidance for State, Territorial, Local, and Tribal Governments, dated April 22, 2020, ("Guidance").<sup>2</sup> Amounts paid from the Fund are subject to the restrictions outlined in the Guidance and set forth in section 601(d) of the Social Security Act, as added by section 5001 of the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act").

#### A. Eligible Expenditures

**1. *Are governments required to submit proposed expenditures to Treasury for approval?***

No. Governments are responsible for making determinations as to what expenditures are necessary due to the public health emergency with respect to COVID-19 and do not need to submit any proposed expenditures to Treasury.

**2. *The Guidance says that funding can be used to meet payroll expenses for public safety, public health, health care, human services, and similar employees whose services are substantially dedicated to mitigating or responding to the COVID-19 public health emergency. How does a government determine whether payroll expenses for a given employee satisfy the "substantially dedicated" condition?***

The Fund is designed to provide ready funding to address unforeseen financial needs and risks created by the COVID-19 public health emergency. For this reason, and as a matter of administrative convenience in light of the emergency nature of this program, a State, territorial, local, or Tribal government may presume that payroll costs for public health and public safety employees are payments for services substantially dedicated to mitigating or responding to the COVID-19 public health emergency, unless the chief executive (or equivalent) of the relevant government determines that specific circumstances indicate otherwise.

**3. *The Guidance says that a cost was not accounted for in the most recently approved budget if the cost is for a substantially different use from any expected use of funds in such a line item, allotment, or allocation. What would qualify as a "substantially different use" for purposes of the Fund eligibility?***

Costs incurred for a "substantially different use" include, but are not necessarily limited to, costs of personnel and services that were budgeted for in the most recently approved budget but which, due entirely to the COVID-19 public health emergency, have been diverted to substantially different functions. This would include, for example, the costs of redeploying corrections facility staff to enable compliance with COVID-19 public health precautions through work such as enhanced sanitation or enforcing social distancing measures; the costs of redeploying police to support management and enforcement of stay-at-home orders; or the costs of diverting educational support staff or faculty to develop online learning capabilities, such as through providing information technology support that is not part of the staff or faculty's ordinary responsibilities.

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<sup>1</sup> On August 10, 2020, these Frequently Asked Questions were revised to add Questions 49–52. The previous revision was made on July 8.

<sup>2</sup> The Guidance is available at <https://home.treasury.gov/system/files/136/Coronavirus-Relief-Fund-Guidance-for-State-Territorial-Local-and-Tribal-Governments.pdf>.

Note that a public function does not become a “substantially different use” merely because it is provided from a different location or through a different manner. For example, although developing online instruction capabilities may be a substantially different use of funds, online instruction itself is not a substantially different use of public funds than classroom instruction.

**4. *May a State receiving a payment transfer funds to a local government?***

Yes, provided that the transfer qualifies as a necessary expenditure incurred due to the public health emergency and meets the other criteria of section 601(d) of the Social Security Act. Such funds would be subject to recoupment by the Treasury Department if they have not been used in a manner consistent with section 601(d) of the Social Security Act.

**5. *May a unit of local government receiving a Fund payment transfer funds to another unit of government?***

Yes. For example, a county may transfer funds to a city, town, or school district within the county and a county or city may transfer funds to its State, provided that the transfer qualifies as a necessary expenditure incurred due to the public health emergency and meets the other criteria of section 601(d) of the Social Security Act outlined in the Guidance. For example, a transfer from a county to a constituent city would not be permissible if the funds were intended to be used simply to fill shortfalls in government revenue to cover expenditures that would not otherwise qualify as an eligible expenditure.

**6. *Is a Fund payment recipient required to transfer funds to a smaller, constituent unit of government within its borders?***

No. For example, a county recipient is not required to transfer funds to smaller cities within the county’s borders.

**7. *Are recipients required to use other federal funds or seek reimbursement under other federal programs before using Fund payments to satisfy eligible expenses?***

No. Recipients may use Fund payments for any expenses eligible under section 601(d) of the Social Security Act outlined in the Guidance. Fund payments are not required to be used as the source of funding of last resort. However, as noted below, recipients may not use payments from the Fund to cover expenditures for which they will receive reimbursement.

**8. *Are there prohibitions on combining a transaction supported with Fund payments with other CARES Act funding or COVID-19 relief Federal funding?***

Recipients will need to consider the applicable restrictions and limitations of such other sources of funding. In addition, expenses that have been or will be reimbursed under any federal program, such as the reimbursement by the federal government pursuant to the CARES Act of contributions by States to State unemployment funds, are not eligible uses of Fund payments.



**9. *Are States permitted to use Fund payments to support state unemployment insurance funds generally?***

To the extent that the costs incurred by a state unemployment insurance fund are incurred due to the COVID-19 public health emergency, a State may use Fund payments to make payments to its respective state unemployment insurance fund, separate and apart from such State's obligation to the unemployment insurance fund as an employer. This will permit States to use Fund payments to prevent expenses related to the public health emergency from causing their state unemployment insurance funds to become insolvent.

**10. *Are recipients permitted to use Fund payments to pay for unemployment insurance costs incurred by the recipient as an employer?***

Yes, Fund payments may be used for unemployment insurance costs incurred by the recipient as an employer (for example, as a reimbursing employer) related to the COVID-19 public health emergency if such costs will not be reimbursed by the federal government pursuant to the CARES Act or otherwise.

**11. *The Guidance states that the Fund may support a "broad range of uses" including payroll expenses for several classes of employees whose services are "substantially dedicated to mitigating or responding to the COVID-19 public health emergency." What are some examples of types of covered employees?***

The Guidance provides examples of broad classes of employees whose payroll expenses would be eligible expenses under the Fund. These classes of employees include public safety, public health, health care, human services, and similar employees whose services are substantially dedicated to mitigating or responding to the COVID-19 public health emergency. Payroll and benefit costs associated with public employees who could have been furloughed or otherwise laid off but who were instead repurposed to perform previously unbudgeted functions substantially dedicated to mitigating or responding to the COVID-19 public health emergency are also covered. Other eligible expenditures include payroll and benefit costs of educational support staff or faculty responsible for developing online learning capabilities necessary to continue educational instruction in response to COVID-19-related school closures. Please see the Guidance for a discussion of what is meant by an expense that was not accounted for in the budget most recently approved as of March 27, 2020.

**12. *In some cases, first responders and critical health care workers that contract COVID-19 are eligible for workers' compensation coverage. Is the cost of this expanded workers compensation coverage eligible?***

Increased workers compensation cost to the government due to the COVID-19 public health emergency incurred during the period beginning March 1, 2020, and ending December 30, 2020, is an eligible expense.

**13. *If a recipient would have decommissioned equipment or not renewed a lease on particular office space or equipment but decides to continue to use the equipment or to renew the lease in order to respond to the public health emergency, are the costs associated with continuing to operate the equipment or the ongoing lease payments eligible expenses?***

Yes. To the extent the expenses were previously unbudgeted and are otherwise consistent with section 601(d) of the Social Security Act outlined in the Guidance, such expenses would be eligible.

**14. *May recipients provide stipends to employees for eligible expenses (for example, a stipend to employees to improve telework capabilities) rather than require employees to incur the eligible cost and submit for reimbursement?***

Expenditures paid for with payments from the Fund must be limited to those that are necessary due to the public health emergency. As such, unless the government were to determine that providing assistance in the form of a stipend is an administrative necessity, the government should provide such assistance on a reimbursement basis to ensure as much as possible that funds are used to cover only eligible expenses.

**15. *May Fund payments be used for COVID-19 public health emergency recovery planning?***

Yes. Expenses associated with conducting a recovery planning project or operating a recovery coordination office would be eligible, if the expenses otherwise meet the criteria set forth in section 601(d) of the Social Security Act outlined in the Guidance.

**16. *Are expenses associated with contact tracing eligible?***

Yes, expenses associated with contact tracing are eligible.

**17. *To what extent may a government use Fund payments to support the operations of private hospitals?***

Governments may use Fund payments to support public or private hospitals to the extent that the costs are necessary expenditures incurred due to the COVID-19 public health emergency, but the form such assistance would take may differ. In particular, financial assistance to private hospitals could take the form of a grant or a short-term loan.

**18. *May payments from the Fund be used to assist individuals with enrolling in a government benefit program for those who have been laid off due to COVID-19 and thereby lost health insurance?***

Yes. To the extent that the relevant government official determines that these expenses are necessary and they meet the other requirements set forth in section 601(d) of the Social Security Act outlined in the Guidance, these expenses are eligible.

**19. *May recipients use Fund payments to facilitate livestock depopulation incurred by producers due to supply chain disruptions?***

Yes, to the extent these efforts are deemed necessary for public health reasons or as a form of economic support as a result of the COVID-19 health emergency.

**20. *Would providing a consumer grant program to prevent eviction and assist in preventing homelessness be considered an eligible expense?***

Yes, assuming that the recipient considers the grants to be a necessary expense incurred due to the COVID-19 public health emergency and the grants meet the other requirements for the use of Fund payments under section 601(d) of the Social Security Act outlined in the Guidance. As a general matter, providing assistance to recipients to enable them to meet property tax requirements would not be an eligible use of funds, but exceptions may be made in the case of assistance designed to prevent foreclosures.



**21. *May recipients create a “payroll support program” for public employees?***

Use of payments from the Fund to cover payroll or benefits expenses of public employees are limited to those employees whose work duties are substantially dedicated to mitigating or responding to the COVID-19 public health emergency.

**22. *May recipients use Fund payments to cover employment and training programs for employees that have been furloughed due to the public health emergency?***

Yes, this would be an eligible expense if the government determined that the costs of such employment and training programs would be necessary due to the public health emergency.

**23. *May recipients use Fund payments to provide emergency financial assistance to individuals and families directly impacted by a loss of income due to the COVID-19 public health emergency?***

Yes, if a government determines such assistance to be a necessary expenditure. Such assistance could include, for example, a program to assist individuals with payment of overdue rent or mortgage payments to avoid eviction or foreclosure or unforeseen financial costs for funerals and other emergency individual needs. Such assistance should be structured in a manner to ensure as much as possible, within the realm of what is administratively feasible, that such assistance is necessary.

**24. *The Guidance provides that eligible expenditures may include expenditures related to the provision of grants to small businesses to reimburse the costs of business interruption caused by required closures. What is meant by a “small business,” and is the Guidance intended to refer only to expenditures to cover administrative expenses of such a grant program?***

Governments have discretion to determine what payments are necessary. A program that is aimed at assisting small businesses with the costs of business interruption caused by required closures should be tailored to assist those businesses in need of such assistance. The amount of a grant to a small business to reimburse the costs of business interruption caused by required closures would also be an eligible expenditure under section 601(d) of the Social Security Act, as outlined in the Guidance.

**25. *The Guidance provides that expenses associated with the provision of economic support in connection with the public health emergency, such as expenditures related to the provision of grants to small businesses to reimburse the costs of business interruption caused by required closures, would constitute eligible expenditures of Fund payments. Would such expenditures be eligible in the absence of a stay-at-home order?***

Fund payments may be used for economic support in the absence of a stay-at-home order if such expenditures are determined by the government to be necessary. This may include, for example, a grant program to benefit small businesses that close voluntarily to promote social distancing measures or that are affected by decreased customer demand as a result of the COVID-19 public health emergency.

**26. *May Fund payments be used to assist impacted property owners with the payment of their property taxes?***

Fund payments may not be used for government revenue replacement, including the provision of assistance to meet tax obligations.

**27. *May Fund payments be used to replace foregone utility fees? If not, can Fund payments be used as a direct subsidy payment to all utility account holders?***

Fund payments may not be used for government revenue replacement, including the replacement of unpaid utility fees. Fund payments may be used for subsidy payments to electricity account holders to the extent that the subsidy payments are deemed by the recipient to be necessary expenditures incurred due to the COVID-19 public health emergency and meet the other criteria of section 601(d) of the Social Security Act outlined in the Guidance. For example, if determined to be a necessary expenditure, a government could provide grants to individuals facing economic hardship to allow them to pay their utility fees and thereby continue to receive essential services.

**28. *Could Fund payments be used for capital improvement projects that broadly provide potential economic development in a community?***

In general, no. If capital improvement projects are not necessary expenditures incurred due to the COVID-19 public health emergency, then Fund payments may not be used for such projects.

However, Fund payments may be used for the expenses of, for example, establishing temporary public medical facilities and other measures to increase COVID-19 treatment capacity or improve mitigation measures, including related construction costs.

**29. *The Guidance includes workforce bonuses as an example of ineligible expenses but provides that hazard pay would be eligible if otherwise determined to be a necessary expense. Is there a specific definition of “hazard pay”?***

Hazard pay means additional pay for performing hazardous duty or work involving physical hardship, in each case that is related to COVID-19.

**30. *The Guidance provides that ineligible expenditures include “[p]ayroll or benefits expenses for employees whose work duties are not substantially dedicated to mitigating or responding to the COVID-19 public health emergency.” Is this intended to relate only to public employees?***

Yes. This particular nonexclusive example of an ineligible expenditure relates to public employees. A recipient would not be permitted to pay for payroll or benefit expenses of private employees and any financial assistance (such as grants or short-term loans) to private employers are not subject to the restriction that the private employers’ employees must be substantially dedicated to mitigating or responding to the COVID-19 public health emergency.

**31. *May counties pre-pay with CARES Act funds for expenses such as a one or two-year facility lease, such as to house staff hired in response to COVID-19?***

A government should not make prepayments on contracts using payments from the Fund to the extent that doing so would not be consistent with its ordinary course policies and procedures.

**32. *Must a stay-at-home order or other public health mandate be in effect in order for a government to provide assistance to small businesses using payments from the Fund?***

No. The Guidance provides, as an example of an eligible use of payments from the Fund, expenditures related to the provision of grants to small businesses to reimburse the costs of business interruption caused by required closures. Such assistance may be provided using amounts received from the Fund in the absence of a requirement to close businesses if the relevant government determines that such expenditures are necessary in response to the public health emergency.



**33. *Should States receiving a payment transfer funds to local governments that did not receive payments directly from Treasury?***

Yes, provided that the transferred funds are used by the local government for eligible expenditures under the statute. To facilitate prompt distribution of Title V funds, the CARES Act authorized Treasury to make direct payments to local governments with populations in excess of 500,000, in amounts equal to 45% of the local government's per capita share of the statewide allocation. This statutory structure was based on a recognition that it is more administratively feasible to rely on States, rather than the federal government, to manage the transfer of funds to smaller local governments. Consistent with the needs of all local governments for funding to address the public health emergency, States should transfer funds to local governments with populations of 500,000 or less, using as a benchmark the per capita allocation formula that governs payments to larger local governments. This approach will ensure equitable treatment among local governments of all sizes.

For example, a State received the minimum \$1.25 billion allocation and had one county with a population over 500,000 that received \$250 million directly. The State should distribute 45 percent of the \$1 billion it received, or \$450 million, to local governments within the State with a population of 500,000 or less.

**34. *May a State impose restrictions on transfers of funds to local governments?***

Yes, to the extent that the restrictions facilitate the State's compliance with the requirements set forth in section 601(d) of the Social Security Act outlined in the Guidance and other applicable requirements such as the Single Audit Act, discussed below. Other restrictions are not permissible.

**35. *If a recipient must issue tax anticipation notes (TANs) to make up for tax due date deferrals or revenue shortfalls, are the expenses associated with the issuance eligible uses of Fund payments?***

If a government determines that the issuance of TANs is necessary due to the COVID-19 public health emergency, the government may expend payments from the Fund on the interest expense payable on TANs by the borrower and unbudgeted administrative and transactional costs, such as necessary payments to advisors and underwriters, associated with the issuance of the TANs.

**36. *May recipients use Fund payments to expand rural broadband capacity to assist with distance learning and telework?***

Such expenditures would only be permissible if they are necessary for the public health emergency. The cost of projects that would not be expected to increase capacity to a significant extent until the need for distance learning and telework have passed due to this public health emergency would not be necessary due to the public health emergency and thus would not be eligible uses of Fund payments.

**37. *Are costs associated with increased solid waste capacity an eligible use of payments from the Fund?***

Yes, costs to address increase in solid waste as a result of the public health emergency, such as relates to the disposal of used personal protective equipment, would be an eligible expenditure.



**38. *May payments from the Fund be used to cover across-the-board hazard pay for employees working during a state of emergency?***

No. The Guidance says that funding may be used to meet payroll expenses for public safety, public health, health care, human services, and similar employees whose services are substantially dedicated to mitigating or responding to the COVID-19 public health emergency. Hazard pay is a form of payroll expense and is subject to this limitation, so Fund payments may only be used to cover hazard pay for such individuals.

**39. *May Fund payments be used for expenditures related to the administration of Fund payments by a State, territorial, local, or Tribal government?***

Yes, if the administrative expenses represent an increase over previously budgeted amounts and are limited to what is necessary. For example, a State may expend Fund payments on necessary administrative expenses incurred with respect to a new grant program established to disburse amounts received from the Fund.

**40. *May recipients use Fund payments to provide loans?***

Yes, if the loans otherwise qualify as eligible expenditures under section 601(d) of the Social Security Act as implemented by the Guidance. Any amounts repaid by the borrower before December 30, 2020, must be either returned to Treasury upon receipt by the unit of government providing the loan or used for another expense that qualifies as an eligible expenditure under section 601(d) of the Social Security Act. Any amounts not repaid by the borrower until after December 30, 2020, must be returned to Treasury upon receipt by the unit of government lending the funds.

**41. *May Fund payments be used for expenditures necessary to prepare for a future COVID-19 outbreak?***

Fund payments may be used only for expenditures necessary to address the current COVID-19 public health emergency. For example, a State may spend Fund payments to create a reserve of personal protective equipment or develop increased intensive care unit capacity to support regions in its jurisdiction not yet affected, but likely to be impacted by the current COVID-19 pandemic.

**42. *May funds be used to satisfy non-federal matching requirements under the Stafford Act?***

Yes, payments from the Fund may be used to meet the non-federal matching requirements for Stafford Act assistance to the extent such matching requirements entail COVID-19-related costs that otherwise satisfy the Fund's eligibility criteria and the Stafford Act. Regardless of the use of Fund payments for such purposes, FEMA funding is still dependent on FEMA's determination of eligibility under the Stafford Act.

**43. *Must a State, local, or tribal government require applications to be submitted by businesses or individuals before providing assistance using payments from the Fund?***

Governments have discretion to determine how to tailor assistance programs they establish in response to the COVID-19 public health emergency. However, such a program should be structured in such a manner as will ensure that such assistance is determined to be necessary in response to the COVID-19 public health emergency and otherwise satisfies the requirements of the CARES Act and other applicable law. For example, a per capita payment to residents of a particular jurisdiction without an assessment of individual need would not be an appropriate use of payments from the Fund.

**44. *May Fund payments be provided to non-profits for distribution to individuals in need of financial assistance, such as rent relief?***

Yes, non-profits may be used to distribute assistance. Regardless of how the assistance is structured, the financial assistance provided would have to be related to COVID-19.

**45. *May recipients use Fund payments to remarket the recipient's convention facilities and tourism industry?***

Yes, if the costs of such remarketing satisfy the requirements of the CARES Act. Expenses incurred to publicize the resumption of activities and steps taken to ensure a safe experience may be needed due to the public health emergency. Expenses related to developing a long-term plan to reposition a recipient's convention and tourism industry and infrastructure would not be incurred due to the public health emergency and therefore may not be covered using payments from the Fund.

**46. *May a State provide assistance to farmers and meat processors to expand capacity, such to cover overtime for USDA meat inspectors?***

If a State determines that expanding meat processing capacity, including by paying overtime to USDA meat inspectors, is a necessary expense incurred due to the public health emergency, such as if increased capacity is necessary to allow farmers and processors to donate meat to food banks, then such expenses are eligible expenses, provided that the expenses satisfy the other requirements set forth in section 601(d) of the Social Security Act outlined in the Guidance.

**47. *The guidance provides that funding may be used to meet payroll expenses for public safety, public health, health care, human services, and similar employees whose services are substantially dedicated to mitigating or responding to the COVID-19 public health emergency. May Fund payments be used to cover such an employee's entire payroll cost or just the portion of time spent on mitigating or responding to the COVID-19 public health emergency?***

As a matter of administrative convenience, the entire payroll cost of an employee whose time is substantially dedicated to mitigating or responding to the COVID-19 public health emergency is eligible, provided that such payroll costs are incurred by December 30, 2020. An employer may also track time spent by employees related to COVID-19 and apply Fund payments on that basis but would need to do so consistently within the relevant agency or department.

**48. *May Fund payments be used to cover increased administrative leave costs of public employees who could not telework in the event of a stay at home order or a case of COVID-19 in the workplace?***

The statute requires that payments be used only to cover costs that were not accounted for in the budget most recently approved as of March 27, 2020. As stated in the Guidance, a cost meets this requirement if either (a) the cost cannot lawfully be funded using a line item, allotment, or allocation within that budget or (b) the cost is for a substantially different use from any expected use of funds in such a line item, allotment, or allocation. If the cost of an employee was allocated to administrative leave to a greater extent than was expected, the cost of such administrative leave may be covered using payments from the Fund.



**49. *Are States permitted to use Coronavirus Relief Fund payments to satisfy non-federal matching requirements under the Stafford Act, including “lost wages assistance” authorized by the Presidential Memorandum on Authorizing the Other Needs Assistance Program for Major Disaster Declarations Related to Coronavirus Disease 2019 (August 8, 2020)?***

Yes. As previous guidance has stated, payments from the Fund may be used to meet the non-federal matching requirements for Stafford Act assistance to the extent such matching requirements entail COVID-19-related costs that otherwise satisfy the Fund’s eligibility criteria and the Stafford Act. States are fully permitted to use payments from the Fund to satisfy 100% of their cost share for lost wages assistance recently made available under the Stafford Act.

**50. *At what point would costs be considered to be incurred in the case of a grant made by a State, local, or tribal government to cover interest and principal amounts of a loan, such as might be provided as part of a small business assistance program in which the loan is made by a private institution?***

A grant made to cover interest and principal costs of a loan, including interest and principal due after the period that begins on March 1, 2020, and ends on December 30, 2020 (the “covered period”), will be considered to be incurred during the covered period if (i) the full amount of the loan is advanced to the borrower within the covered period and (ii) the proceeds of the loan are used by the borrower to cover expenses incurred during the covered period. In addition, if these conditions are met, the amount of the grant will be considered to have been used during the covered period for purposes of the requirement that expenses be incurred within the covered period. Such a grant would be analogous to a loan provided by the Fund recipient itself that incorporates similar loan forgiveness provisions. As with any other assistance provided by a Fund recipient, such a grant would need to be determined by the recipient to be necessary due to the public health emergency.

**51. *If governments use Fund payments as described in the Guidance to establish a grant program to support businesses, would those funds be considered gross income taxable to a business receiving the grant under the Internal Revenue Code (Code)?***

Please see the answer provided by the Internal Revenue Service (IRS) available at <https://www.irs.gov/newsroom/cares-act-coronavirus-relief-fund-frequently-asked-questions>.

**52. *If governments use Fund payments as described in the Guidance to establish a loan program to support businesses, would those funds be considered gross income taxable to a business receiving the loan under the Code?***

Please see the answer provided by the IRS available at <https://www.irs.gov/newsroom/cares-act-coronavirus-relief-fund-frequently-asked-questions>.

**B. Questions Related to Administration of Fund Payments**

**1. *Do governments have to return unspent funds to Treasury?***

Yes. Section 601(f)(2) of the Social Security Act, as added by section 5001(a) of the CARES Act, provides for recoupment by the Department of the Treasury of amounts received from the Fund that have not been used in a manner consistent with section 601(d) of the Social Security Act. If a government has not used funds it has received to cover costs that were incurred by December 30, 2020, as required by the statute, those funds must be returned to the Department of the Treasury.

**2. *What records must be kept by governments receiving payment?***

A government should keep records sufficient to demonstrate that the amount of Fund payments to the government has been used in accordance with section 601(d) of the Social Security Act.

**3. *May recipients deposit Fund payments into interest bearing accounts?***

Yes, provided that if recipients separately invest amounts received from the Fund, they must use the interest earned or other proceeds of these investments only to cover expenditures incurred in accordance with section 601(d) of the Social Security Act and the Guidance on eligible expenses. If a government deposits Fund payments in a government's general account, it may use those funds to meet immediate cash management needs provided that the full amount of the payment is used to cover necessary expenditures. Fund payments are not subject to the Cash Management Improvement Act of 1990, as amended.

**4. *May governments retain assets purchased with payments from the Fund?***

Yes, if the purchase of the asset was consistent with the limitations on the eligible use of funds provided by section 601(d) of the Social Security Act.

**5. *What rules apply to the proceeds of disposition or sale of assets acquired using payments from the Fund?***

If such assets are disposed of prior to December 30, 2020, the proceeds would be subject to the restrictions on the eligible use of payments from the Fund provided by section 601(d) of the Social Security Act.

**6. *Are Fund payments to State, territorial, local, and tribal governments considered grants?***

No. Fund payments made by Treasury to State, territorial, local, and Tribal governments are not considered to be grants but are "other financial assistance" under 2 C.F.R. § 200.40.

**7. *Are Fund payments considered federal financial assistance for purposes of the Single Audit Act?***

Yes, Fund payments are considered to be federal financial assistance subject to the Single Audit Act (31 U.S.C. §§ 7501-7507) and the related provisions of the Uniform Guidance, 2 C.F.R. § 200.303 regarding internal controls, §§ 200.330 through 200.332 regarding subrecipient monitoring and management, and subpart F regarding audit requirements.

**8. *Are Fund payments subject to other requirements of the Uniform Guidance?***

Fund payments are subject to the following requirements in the Uniform Guidance (2 C.F.R. Part 200): 2 C.F.R. § 200.303 regarding internal controls, 2 C.F.R. §§ 200.330 through 200.332 regarding subrecipient monitoring and management, and subpart F regarding audit requirements.

**9. *Is there a Catalog of Federal Domestic Assistance (CFDA) number assigned to the Fund?***

Yes. The CFDA number assigned to the Fund is 21.019.



**10. *If a State transfers Fund payments to its political subdivisions, would the transferred funds count toward the subrecipients' total funding received from the federal government for purposes of the Single Audit Act?***

Yes. The Fund payments to subrecipients would count toward the threshold of the Single Audit Act and 2 C.F.R. part 200, subpart F re: audit requirements. Subrecipients are subject to a single audit or program-specific audit pursuant to 2 C.F.R. § 200.501(a) when the subrecipients spend \$750,000 or more in federal awards during their fiscal year.

**11. *Are recipients permitted to use payments from the Fund to cover the expenses of an audit conducted under the Single Audit Act?***

Yes, such expenses would be eligible expenditures, subject to the limitations set forth in 2 C.F.R. § 200.425.

**12. *If a government has transferred funds to another entity, from which entity would the Treasury Department seek to recoup the funds if they have not been used in a manner consistent with section 601(d) of the Social Security Act?***

The Treasury Department would seek to recoup the funds from the government that received the payment directly from the Treasury Department. State, territorial, local, and Tribal governments receiving funds from Treasury should ensure that funds transferred to other entities, whether pursuant to a grant program or otherwise, are used in accordance with section 601(d) of the Social Security Act as implemented in the Guidance.

**AGENDA #6.3**  
**SCOTT COUNTY, MINNESOTA**  
**REQUEST FOR BOARD ACTION**  
**MEETING DATE: SEPTEMBER 15, 2020**

|  |  |                        |   |
|--|--|------------------------|---|
| <b>ORIGINATING DIVISION:<br/>ORIGINATING DEPARTMENT:</b> | Office of<br>Management and Budget –<br>Information Technology   | <b>CONSENT AGENDA:</b> | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No               |
| <b>PRESENTER:</b>  | Joyce Arlt   | <b>ATTACHMENTS:</b>    | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No               |
| <b>PROJECT:</b>  | COVID 19   | <b>TIME REQUESTED:</b> | N/A   |
| <b>ACTION REQUESTED:</b>                                 | Adopt Resolution No. 2020-143; Authorizing the Purchase of WebEx Software Using Coronavirus Aid, Relief, and Economic Security (CARES) Act Special Revenue |                        |   |
| <b>CONTRACT/POLICY/GRANT:</b>                            | <input type="checkbox"/> County Attorney Review<br><input type="checkbox"/> Risk Management Review   | <b>FISCAL:</b>         | <input type="checkbox"/> Finance Review<br><input type="checkbox"/> Budget Change |

**ORGANIZATIONAL VALUES:**

- ☒ **Customer Service:** We will deliver government services in a respectful, responsive, and solution-oriented manner
- ☒ **Communication:** We will always be clear about what we're doing and why we're doing it
- ☐ **Collaboration:** We will work with partners – communities, schools, faith groups, private business, and non-profit agencies – to see that services are not duplicated but rather are complimentary, aligned and provided by the partners who can deliver the service most effectively
- ☒ **Stewardship:** We will work proactively to make investments, guided by resident input, which will transform lives, communities, and government
- ☐ **Empowerment:** We will work with individuals and families to affirm strengths, develop skills, restore hope, and promote self-reliance
- ☐ **Resiliency:** We will foster public preparedness and respond when families and communities face health and safety emergencies
- ☒ **Innovation:** We will take informed risks to deliver services more effectively and will learn from our successes and failures

|  |  |
|--|--|
| <b>DEPARTMENT/DIVISION HEAD SIGNATURE:</b>   | <b>COUNTY ADMINISTRATOR SIGNATURE:</b>   |
|  |  |
| <b>Approved:</b><br><b>Denied:</b><br><b>Tabled:</b><br><b>Other:</b><br><br><b>Deputy Clerk :</b><br><b>Date:</b> | <b>DISTRIBUTION/FILING INSTRUCTIONS:</b> |

**Background/Justification:**

The purpose of this agenda item is to adopt Resolution No. 2020-143; Authorizing the Purchase Cisco WebEx Software Using Coronavirus Aid, Relief, and Economic Security (CARES) Act Special Revenue.

Since early 2020, Scott County has been impacted by an outbreak of a respiratory disease caused by a novel coronavirus that has been detected across the world, including in Minnesota.

- On March 11, the World Health Organization declared COVID-19 as a pandemic.
- On March 13, the President of the United States declared a national emergency for the COVID-19 pandemic.
- On March 13, the Governor of Minnesota declared a peacetime emergency due to the COVID-19 pandemic.
- On March 17, 2020, the Scott County Board of Commissioners declared a local state of emergency due to the COVID-19 pandemic.

On March 27, 2020, the Federal Government passed the Coronavirus Aid, Relief, and Economic Security (CARES) Act, which provides over \$2 trillion in federal economic relief to protect the American people from the public health and economic impacts of COVID-19. Part of those funds was sent to states for local allocation and disbursement.

Minnesota Governor Tim Walz, through executive authority and a legislative review committee, allocated and dispersed a portion of Minnesota's CARES Act funds as Local Government Assistance based on population targets to counties, cities, and townships throughout the state. Scott County has received \$17,719,998.

The funds may be spent by the local agencies to offset public health and economic impacts of COVID-19. In order to be eligible for the funding, expenditures must pass a three-step test:

1. Expenses must be necessary expenditures incurred due to the public health emergency with respect to the Coronavirus Disease 2019 (COVID-19).
2. They must be costs that were not accounted for in the budget most recently approved as of March 27, 2020.
3. Performance or delivery must occur during the covered period, but payment of funds need not be made during that time (though it is generally expected that this will take place within 90 days of a cost being incurred.) The County deadline is 12/1/2020.

To assist in understanding eligible expenses, the United States Department of the Treasury published two documents: *Coronavirus Relief Fund Guidance to State, Territorial, Local, and Tribal Governments Updated June 30, 2020* ("Guidance"); and *Coronavirus Relief Fund Frequently Asked Questions Updated as of August 10, 2020* ("Frequently Asked Questions").

All CARES Act Funds are subject to State and Federal audit for use of the funds. This means that any subrecipients of CARES Funds from the County must also meet audit requirements.

The Scott County Board of Commissioners met in a workshop on July 7, 2020 to discuss and reiterated at their County Board meeting on July 21, 2020, their goals for allocation of the County's CARES funds. The County Board indicated that local business support was their highest priority with housing security, food security, nonprofit support, school support, and rural broadband also being priorities. The goals behind this focus are:

- Keeping employees working or getting residents working again; and
- Filling in gaps that unemployment insurance (+ stimulus), Payroll Protection Program (PPP) and other programs didn't serve; and
- Helping businesses, organizations, and residents most harmed by the pandemic; and
- Providing support to business that can sustain and grow the economy; and
- Supporting operational changes to keep businesses operating during the pandemic; and
- Providing food support for families at risk in the short-term; and
- Targeting rental and mortgage programs to those in need not covered by State; and
- Supporting distance learning; and
- Supporting childcare for essential employees.

On August 4, 2020, the Scott County Board of Commissioners passed a resolution approving the establishment of a Special Revenue Fund for the CARES Act funds, targeting \$5.5 million for business support, \$2 million for housing support, and \$1 million for rural broadband.

A Scott County committee reviewed staff submissions for use of CARES Act funding based on alignment with CARES Act guidance and strategies adopted by the Scott County Board. The committee approved the following project:

**Cisco WebEx Cloud Meetings - \$35,349.12:** The Federal and State requirements for social distancing and self-quarantining required Health and Human Services to quickly transition their client service models from in-person visits to video visits. The need for a HIPPA compliant electronic meeting system was identified as necessary to be able to remotely meet with clients. WebEx was implemented at the beginning of the pandemic to support virtual working as a free trial because Cisco had a BAA (Business Associate Agreement) ready to go so it was the quickest way to move the County forward. The BAA is required for HIPAA compliancy. The free offering of WebEx expires in September 2020. While County Information Technology is currently planning to proceed with the implementation of Microsoft Teams, it will not be available for use until sometime in 2021. The need to continue to serve clients by remote meetings requires us to maintain an interim solution until the Teams implementation is complete. We request County Board approval to purchase a one-year subscription of Cisco WebEx in the amount of \$35,349.12 so the 114 County employees currently using WebEx may continue to use it to meet with their clients during this interim period.

**Fiscal Impact:**

Scott County has received \$17,719,998 in CARES relief funds. By a resolution on August 4, 2020 a CARES Act Special Revenue Fund was created, the County Budget amended, and the funds deposited. These purchases will be coded to utilize these funds, having no impact on the Scott County operating budget.



**BOARD OF COUNTY COMMISSIONERS  
SCOTT COUNTY, MINNESOTA**

|                                  |                    |
|----------------------------------|--------------------|
| <b>Date:</b>                     | September 15, 2020 |
| <b>Resolution No.:</b>           | 2020-143           |
| <b>Motion by Commissioner:</b>   |                    |
| <b>Seconded by Commissioner:</b> |                    |

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**RESOLUTION 2020-143; AUTHORIZING THE PURCHASE OF CISCO WEBEX SOFTWARE  
USING CORONAVIRUS AID, RELIEF, AND ECONOMIC SECURITY (CARES) ACT SPECIAL REVENUE**

WHEREAS, COVID-19, a global pandemic has caused a public health emergency at all levels of government in the United States; and

WHEREAS, response and support to affected individuals, communities, medical systems, business, and government has caused significant impact to the County as a whole; and

WHEREAS, COVID-19, has caused and will continue to cause increased service needs on County functions and additional work for staff; and

WHEREAS, COVID-19 has had significant impacts on the businesses and residents of Scott County; and

WHEREAS, the Coronavirus Aid, Relief, and Economic Security (CARES) Act, passed on March 27, 2020, provides over \$2 trillion in federal economic relief to protect the American people from the public health and economic impacts of COVID-19; and

WHEREAS, Governor Tim Walz on June 26, 2020 formally allocated funding for counties, cities, and townships in the State of Minnesota, to provide support and economic relief on a local level, with Scott County receiving \$17,719,998 from the CARES Act; and

WHEREAS, at its work session on July 7, 2020 the Scott County Board discussed their priorities for dissemination of the funds and affirmed their direction during the July 21, 2020 Board meeting; and

WHEREAS, the Federal CARES Act funds are subject to State and Federal spending requirements and subject to State and Federal Audit; and

WHEREAS, the Scott County Board of Commissioners has been presented and has approved a plan for the use of the County's allocation; and

WHEREAS, the County's plan is consistent with the United States Department of the Treasury's "Coronavirus Relief Fund Guidance to State, Territorial, Local, and Tribal Governments Updated June 30, 2020" attached and hereby incorporated as Exhibit A and "Coronavirus Relief Fund Frequently Asked Questions Updated as of August 10, 2020" attached and hereby incorporated as Exhibit B.

**BOARD OF COUNTY COMMISSIONERS  
SCOTT COUNTY, MINNESOTA**

|                                  |                   |
|----------------------------------|-------------------|
| <b>Date:</b>                     | September 1, 2020 |
| <b>Resolution No.:</b>           | 2020-143          |
| <b>Motion by Commissioner:</b>   |                   |
| <b>Seconded by Commissioner:</b> |                   |

NOW THEREFORE BE IT RESOLVED, that the Scott County Board of Commissioners does hereby authorize the purchase of Cisco WebEx Software in the amount of \$35,349.12 using the CARES Act special revenue fund.

| <b>COMMISSIONERS</b> | <b>VOTE</b>   |
|----------------------|---|
| Weckman Brekke       | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Absent <input type="checkbox"/> Abstain |
| Wolf                 | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Absent <input type="checkbox"/> Abstain |
| Beard                | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Absent <input type="checkbox"/> Abstain |
| Beer                 | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Absent <input type="checkbox"/> Abstain |
| Ulrich               | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Absent <input type="checkbox"/> Abstain |

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**State of Minnesota)**  
**County of Scott    )**

I, Lezlie A. Vermillion, duly appointed qualified County Administrator for the County of Scott, State of Minnesota, do hereby certify that I have compared the foregoing copy of a resolution with the original minutes of the proceedings of the Board of County Commissioners, Scott County, Minnesota, at their session held on the 15th day of September, 2020 now on file in my office, and have found the same to be a true and correct copy thereof.

Witness my hand and official seal at Shakopee, Minnesota, this 15th day of September, 2020.

\_\_\_\_\_  
\_\_\_\_\_

County Administrator

Administrator's Designee

**Coronavirus Relief Fund**  
**Guidance for State, Territorial, Local, and Tribal Governments**  
**Updated June 30, 2020<sup>1</sup>**

The purpose of this document is to provide guidance to recipients of the funding available under section 601(a) of the Social Security Act, as added by section 5001 of the Coronavirus Aid, Relief, and Economic Security Act (“CARES Act”). The CARES Act established the Coronavirus Relief Fund (the “Fund”) and appropriated \$150 billion to the Fund. Under the CARES Act, the Fund is to be used to make payments for specified uses to States and certain local governments; the District of Columbia and U.S. Territories (consisting of the Commonwealth of Puerto Rico, the United States Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands); and Tribal governments.

The CARES Act provides that payments from the Fund may only be used to cover costs that—

1. are necessary expenditures incurred due to the public health emergency with respect to the Coronavirus Disease 2019 (COVID-19);
2. were not accounted for in the budget most recently approved as of March 27, 2020 (the date of enactment of the CARES Act) for the State or government; and
3. were incurred during the period that begins on March 1, 2020, and ends on December 30, 2020.<sup>2</sup>

The guidance that follows sets forth the Department of the Treasury’s interpretation of these limitations on the permissible use of Fund payments.

***Necessary expenditures incurred due to the public health emergency***

The requirement that expenditures be incurred “due to” the public health emergency means that expenditures must be used for actions taken to respond to the public health emergency. These may include expenditures incurred to allow the State, territorial, local, or Tribal government to respond directly to the emergency, such as by addressing medical or public health needs, as well as expenditures incurred to respond to second-order effects of the emergency, such as by providing economic support to those suffering from employment or business interruptions due to COVID-19-related business closures.

Funds may not be used to fill shortfalls in government revenue to cover expenditures that would not otherwise qualify under the statute. Although a broad range of uses is allowed, revenue replacement is not a permissible use of Fund payments.

The statute also specifies that expenditures using Fund payments must be “necessary.” The Department of the Treasury understands this term broadly to mean that the expenditure is reasonably necessary for its intended use in the reasonable judgment of the government officials responsible for spending Fund payments.

***Costs not accounted for in the budget most recently approved as of March 27, 2020***

The CARES Act also requires that payments be used only to cover costs that were not accounted for in the budget most recently approved as of March 27, 2020. A cost meets this requirement if either (a) the

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<sup>1</sup> This version updates the guidance provided under “Costs incurred during the period that begins on March 1, 2020, and ends on December 30, 2020”.

<sup>2</sup> See Section 601(d) of the Social Security Act, as added by section 5001 of the CARES Act.

cost cannot lawfully be funded using a line item, allotment, or allocation within that budget *or* (b) the cost is for a substantially different use from any expected use of funds in such a line item, allotment, or allocation.

The “most recently approved” budget refers to the enacted budget for the relevant fiscal period for the particular government, without taking into account subsequent supplemental appropriations enacted or other budgetary adjustments made by that government in response to the COVID-19 public health emergency. A cost is not considered to have been accounted for in a budget merely because it could be met using a budgetary stabilization fund, rainy day fund, or similar reserve account.

***Costs incurred during the period that begins on March 1, 2020, and ends on December 30, 2020***

Finally, the CARES Act provides that payments from the Fund may only be used to cover costs that were incurred during the period that begins on March 1, 2020, and ends on December 30, 2020 (the “covered period”). Putting this requirement together with the other provisions discussed above, section 601(d) may be summarized as providing that a State, local, or tribal government may use payments from the Fund only to cover previously unbudgeted costs of necessary expenditures incurred due to the COVID-19 public health emergency during the covered period.

Initial guidance released on April 22, 2020, provided that the cost of an expenditure is incurred when the recipient has expended funds to cover the cost. Upon further consideration and informed by an understanding of State, local, and tribal government practices, Treasury is clarifying that for a cost to be considered to have been incurred, performance or delivery must occur during the covered period but payment of funds need not be made during that time (though it is generally expected that this will take place within 90 days of a cost being incurred). For instance, in the case of a lease of equipment or other property, irrespective of when payment occurs, the cost of a lease payment shall be considered to have been incurred for the period of the lease that is within the covered period, but not otherwise. Furthermore, in all cases it must be necessary that performance or delivery take place during the covered period. Thus the cost of a good or service received during the covered period will not be considered eligible under section 601(d) if there is no need for receipt until after the covered period has expired.

Goods delivered in the covered period need not be used during the covered period in all cases. For example, the cost of a good that must be delivered in December in order to be available for use in January could be covered using payments from the Fund. Additionally, the cost of goods purchased in bulk and delivered during the covered period may be covered using payments from the Fund if a portion of the goods is ordered for use in the covered period, the bulk purchase is consistent with the recipient’s usual procurement policies and practices, and it is impractical to track and record when the items were used. A recipient may use payments from the Fund to purchase a durable good that is to be used during the current period and in subsequent periods if the acquisition in the covered period was necessary due to the public health emergency.

Given that it is not always possible to estimate with precision when a good or service will be needed, the touchstone in assessing the determination of need for a good or service during the covered period will be reasonableness at the time delivery or performance was sought, *e.g.*, the time of entry into a procurement contract specifying a time for delivery. Similarly, in recognition of the likelihood of supply chain disruptions and increased demand for certain goods and services during the COVID-19 public health emergency, if a recipient enters into a contract requiring the delivery of goods or performance of services by December 30, 2020, the failure of a vendor to complete delivery or services by December 30, 2020, will not affect the ability of the recipient to use payments from the Fund to cover the cost of such goods or services if the delay is due to circumstances beyond the recipient’s control.



This guidance applies in a like manner to costs of subrecipients. Thus, a grant or loan, for example, provided by a recipient using payments from the Fund must be used by the subrecipient only to purchase (or reimburse a purchase of) goods or services for which receipt both is needed within the covered period and occurs within the covered period. The direct recipient of payments from the Fund is ultimately responsible for compliance with this limitation on use of payments from the Fund.

#### *Nonexclusive examples of eligible expenditures*

Eligible expenditures include, but are not limited to, payment for:

1. Medical expenses such as:
  - COVID-19-related expenses of public hospitals, clinics, and similar facilities.
  - Expenses of establishing temporary public medical facilities and other measures to increase COVID-19 treatment capacity, including related construction costs.
  - Costs of providing COVID-19 testing, including serological testing.
  - Emergency medical response expenses, including emergency medical transportation, related to COVID-19.
  - Expenses for establishing and operating public telemedicine capabilities for COVID-19-related treatment.
2. Public health expenses such as:
  - Expenses for communication and enforcement by State, territorial, local, and Tribal governments of public health orders related to COVID-19.
  - Expenses for acquisition and distribution of medical and protective supplies, including sanitizing products and personal protective equipment, for medical personnel, police officers, social workers, child protection services, and child welfare officers, direct service providers for older adults and individuals with disabilities in community settings, and other public health or safety workers in connection with the COVID-19 public health emergency.
  - Expenses for disinfection of public areas and other facilities, e.g., nursing homes, in response to the COVID-19 public health emergency.
  - Expenses for technical assistance to local authorities or other entities on mitigation of COVID-19-related threats to public health and safety.
  - Expenses for public safety measures undertaken in response to COVID-19.
  - Expenses for quarantining individuals.
3. Payroll expenses for public safety, public health, health care, human services, and similar employees whose services are substantially dedicated to mitigating or responding to the COVID-19 public health emergency.
4. Expenses of actions to facilitate compliance with COVID-19-related public health measures, such as:
  - Expenses for food delivery to residents, including, for example, senior citizens and other vulnerable populations, to enable compliance with COVID-19 public health precautions.
  - Expenses to facilitate distance learning, including technological improvements, in connection with school closings to enable compliance with COVID-19 precautions.
  - Expenses to improve telework capabilities for public employees to enable compliance with COVID-19 public health precautions.

- Expenses of providing paid sick and paid family and medical leave to public employees to enable compliance with COVID-19 public health precautions.
  - COVID-19-related expenses of maintaining state prisons and county jails, including as relates to sanitation and improvement of social distancing measures, to enable compliance with COVID-19 public health precautions.
  - Expenses for care for homeless populations provided to mitigate COVID-19 effects and enable compliance with COVID-19 public health precautions.
5. Expenses associated with the provision of economic support in connection with the COVID-19 public health emergency, such as:
    - Expenditures related to the provision of grants to small businesses to reimburse the costs of business interruption caused by required closures.
    - Expenditures related to a State, territorial, local, or Tribal government payroll support program.
    - Unemployment insurance costs related to the COVID-19 public health emergency if such costs will not be reimbursed by the federal government pursuant to the CARES Act or otherwise.
  6. Any other COVID-19-related expenses reasonably necessary to the function of government that satisfy the Fund's eligibility criteria.

*Nonexclusive examples of ineligible expenditures<sup>3</sup>*

The following is a list of examples of costs that would *not* be eligible expenditures of payments from the Fund.

1. Expenses for the State share of Medicaid.<sup>4</sup>
2. Damages covered by insurance.
3. Payroll or benefits expenses for employees whose work duties are not substantially dedicated to mitigating or responding to the COVID-19 public health emergency.
4. Expenses that have been or will be reimbursed under any federal program, such as the reimbursement by the federal government pursuant to the CARES Act of contributions by States to State unemployment funds.
5. Reimbursement to donors for donated items or services.
6. Workforce bonuses other than hazard pay or overtime.
7. Severance pay.
8. Legal settlements.

<sup>3</sup> In addition, pursuant to section 5001(b) of the CARES Act, payments from the Fund may not be expended for an elective abortion or on research in which a human embryo is destroyed, discarded, or knowingly subjected to risk of injury or death. The prohibition on payment for abortions does not apply to an abortion if the pregnancy is the result of an act of rape or incest; or in the case where a woman suffers from a physical disorder, physical injury, or physical illness, including a life-endangering physical condition caused by or arising from the pregnancy itself, that would, as certified by a physician, place the woman in danger of death unless an abortion is performed. Furthermore, no government which receives payments from the Fund may discriminate against a health care entity on the basis that the entity does not provide, pay for, provide coverage of, or refer for abortions.

<sup>4</sup> See 42 C.F.R. § 433.51 and 45 C.F.R. § 75.306.

## Exhibit B

### Coronavirus Relief Fund Frequently Asked Questions Updated as of August 10, 2020<sup>1</sup>

The following answers to frequently asked questions supplement Treasury's Coronavirus Relief Fund ("Fund") Guidance for State, Territorial, Local, and Tribal Governments, dated April 22, 2020, ("Guidance").<sup>2</sup> Amounts paid from the Fund are subject to the restrictions outlined in the Guidance and set forth in section 601(d) of the Social Security Act, as added by section 5001 of the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act").

#### A. Eligible Expenditures

**1. *Are governments required to submit proposed expenditures to Treasury for approval?***

No. Governments are responsible for making determinations as to what expenditures are necessary due to the public health emergency with respect to COVID-19 and do not need to submit any proposed expenditures to Treasury.

**2. *The Guidance says that funding can be used to meet payroll expenses for public safety, public health, health care, human services, and similar employees whose services are substantially dedicated to mitigating or responding to the COVID-19 public health emergency. How does a government determine whether payroll expenses for a given employee satisfy the "substantially dedicated" condition?***

The Fund is designed to provide ready funding to address unforeseen financial needs and risks created by the COVID-19 public health emergency. For this reason, and as a matter of administrative convenience in light of the emergency nature of this program, a State, territorial, local, or Tribal government may presume that payroll costs for public health and public safety employees are payments for services substantially dedicated to mitigating or responding to the COVID-19 public health emergency, unless the chief executive (or equivalent) of the relevant government determines that specific circumstances indicate otherwise.

**3. *The Guidance says that a cost was not accounted for in the most recently approved budget if the cost is for a substantially different use from any expected use of funds in such a line item, allotment, or allocation. What would qualify as a "substantially different use" for purposes of the Fund eligibility?***

Costs incurred for a "substantially different use" include, but are not necessarily limited to, costs of personnel and services that were budgeted for in the most recently approved budget but which, due entirely to the COVID-19 public health emergency, have been diverted to substantially different functions. This would include, for example, the costs of redeploying corrections facility staff to enable compliance with COVID-19 public health precautions through work such as enhanced sanitation or enforcing social distancing measures; the costs of redeploying police to support management and enforcement of stay-at-home orders; or the costs of diverting educational support staff or faculty to develop online learning capabilities, such as through providing information technology support that is not part of the staff or faculty's ordinary responsibilities.

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<sup>1</sup> On August 10, 2020, these Frequently Asked Questions were revised to add Questions 49–52. The previous revision was made on July 8.

<sup>2</sup> The Guidance is available at <https://home.treasury.gov/system/files/136/Coronavirus-Relief-Fund-Guidance-for-State-Territorial-Local-and-Tribal-Governments.pdf>.



Note that a public function does not become a “substantially different use” merely because it is provided from a different location or through a different manner. For example, although developing online instruction capabilities may be a substantially different use of funds, online instruction itself is not a substantially different use of public funds than classroom instruction.

**4. *May a State receiving a payment transfer funds to a local government?***

Yes, provided that the transfer qualifies as a necessary expenditure incurred due to the public health emergency and meets the other criteria of section 601(d) of the Social Security Act. Such funds would be subject to recoupment by the Treasury Department if they have not been used in a manner consistent with section 601(d) of the Social Security Act.

**5. *May a unit of local government receiving a Fund payment transfer funds to another unit of government?***

Yes. For example, a county may transfer funds to a city, town, or school district within the county and a county or city may transfer funds to its State, provided that the transfer qualifies as a necessary expenditure incurred due to the public health emergency and meets the other criteria of section 601(d) of the Social Security Act outlined in the Guidance. For example, a transfer from a county to a constituent city would not be permissible if the funds were intended to be used simply to fill shortfalls in government revenue to cover expenditures that would not otherwise qualify as an eligible expenditure.

**6. *Is a Fund payment recipient required to transfer funds to a smaller, constituent unit of government within its borders?***

No. For example, a county recipient is not required to transfer funds to smaller cities within the county’s borders.

**7. *Are recipients required to use other federal funds or seek reimbursement under other federal programs before using Fund payments to satisfy eligible expenses?***

No. Recipients may use Fund payments for any expenses eligible under section 601(d) of the Social Security Act outlined in the Guidance. Fund payments are not required to be used as the source of funding of last resort. However, as noted below, recipients may not use payments from the Fund to cover expenditures for which they will receive reimbursement.

**8. *Are there prohibitions on combining a transaction supported with Fund payments with other CARES Act funding or COVID-19 relief Federal funding?***

Recipients will need to consider the applicable restrictions and limitations of such other sources of funding. In addition, expenses that have been or will be reimbursed under any federal program, such as the reimbursement by the federal government pursuant to the CARES Act of contributions by States to State unemployment funds, are not eligible uses of Fund payments.

**9. *Are States permitted to use Fund payments to support state unemployment insurance funds generally?***

To the extent that the costs incurred by a state unemployment insurance fund are incurred due to the COVID-19 public health emergency, a State may use Fund payments to make payments to its respective state unemployment insurance fund, separate and apart from such State's obligation to the unemployment insurance fund as an employer. This will permit States to use Fund payments to prevent expenses related to the public health emergency from causing their state unemployment insurance funds to become insolvent.

**10. *Are recipients permitted to use Fund payments to pay for unemployment insurance costs incurred by the recipient as an employer?***

Yes, Fund payments may be used for unemployment insurance costs incurred by the recipient as an employer (for example, as a reimbursing employer) related to the COVID-19 public health emergency if such costs will not be reimbursed by the federal government pursuant to the CARES Act or otherwise.

**11. *The Guidance states that the Fund may support a "broad range of uses" including payroll expenses for several classes of employees whose services are "substantially dedicated to mitigating or responding to the COVID-19 public health emergency." What are some examples of types of covered employees?***

The Guidance provides examples of broad classes of employees whose payroll expenses would be eligible expenses under the Fund. These classes of employees include public safety, public health, health care, human services, and similar employees whose services are substantially dedicated to mitigating or responding to the COVID-19 public health emergency. Payroll and benefit costs associated with public employees who could have been furloughed or otherwise laid off but who were instead repurposed to perform previously unbudgeted functions substantially dedicated to mitigating or responding to the COVID-19 public health emergency are also covered. Other eligible expenditures include payroll and benefit costs of educational support staff or faculty responsible for developing online learning capabilities necessary to continue educational instruction in response to COVID-19-related school closures. Please see the Guidance for a discussion of what is meant by an expense that was not accounted for in the budget most recently approved as of March 27, 2020.

**12. *In some cases, first responders and critical health care workers that contract COVID-19 are eligible for workers' compensation coverage. Is the cost of this expanded workers compensation coverage eligible?***

Increased workers compensation cost to the government due to the COVID-19 public health emergency incurred during the period beginning March 1, 2020, and ending December 30, 2020, is an eligible expense.

**13. *If a recipient would have decommissioned equipment or not renewed a lease on particular office space or equipment but decides to continue to use the equipment or to renew the lease in order to respond to the public health emergency, are the costs associated with continuing to operate the equipment or the ongoing lease payments eligible expenses?***

Yes. To the extent the expenses were previously unbudgeted and are otherwise consistent with section 601(d) of the Social Security Act outlined in the Guidance, such expenses would be eligible.

**14. *May recipients provide stipends to employees for eligible expenses (for example, a stipend to employees to improve telework capabilities) rather than require employees to incur the eligible cost and submit for reimbursement?***

Expenditures paid for with payments from the Fund must be limited to those that are necessary due to the public health emergency. As such, unless the government were to determine that providing assistance in the form of a stipend is an administrative necessity, the government should provide such assistance on a reimbursement basis to ensure as much as possible that funds are used to cover only eligible expenses.

**15. *May Fund payments be used for COVID-19 public health emergency recovery planning?***

Yes. Expenses associated with conducting a recovery planning project or operating a recovery coordination office would be eligible, if the expenses otherwise meet the criteria set forth in section 601(d) of the Social Security Act outlined in the Guidance.

**16. *Are expenses associated with contact tracing eligible?***

Yes, expenses associated with contact tracing are eligible.

**17. *To what extent may a government use Fund payments to support the operations of private hospitals?***

Governments may use Fund payments to support public or private hospitals to the extent that the costs are necessary expenditures incurred due to the COVID-19 public health emergency, but the form such assistance would take may differ. In particular, financial assistance to private hospitals could take the form of a grant or a short-term loan.

**18. *May payments from the Fund be used to assist individuals with enrolling in a government benefit program for those who have been laid off due to COVID-19 and thereby lost health insurance?***

Yes. To the extent that the relevant government official determines that these expenses are necessary and they meet the other requirements set forth in section 601(d) of the Social Security Act outlined in the Guidance, these expenses are eligible.

**19. *May recipients use Fund payments to facilitate livestock depopulation incurred by producers due to supply chain disruptions?***

Yes, to the extent these efforts are deemed necessary for public health reasons or as a form of economic support as a result of the COVID-19 health emergency.

**20. *Would providing a consumer grant program to prevent eviction and assist in preventing homelessness be considered an eligible expense?***

Yes, assuming that the recipient considers the grants to be a necessary expense incurred due to the COVID-19 public health emergency and the grants meet the other requirements for the use of Fund payments under section 601(d) of the Social Security Act outlined in the Guidance. As a general matter, providing assistance to recipients to enable them to meet property tax requirements would not be an eligible use of funds, but exceptions may be made in the case of assistance designed to prevent foreclosures.



**21. *May recipients create a “payroll support program” for public employees?***

Use of payments from the Fund to cover payroll or benefits expenses of public employees are limited to those employees whose work duties are substantially dedicated to mitigating or responding to the COVID-19 public health emergency.

**22. *May recipients use Fund payments to cover employment and training programs for employees that have been furloughed due to the public health emergency?***

Yes, this would be an eligible expense if the government determined that the costs of such employment and training programs would be necessary due to the public health emergency.

**23. *May recipients use Fund payments to provide emergency financial assistance to individuals and families directly impacted by a loss of income due to the COVID-19 public health emergency?***

Yes, if a government determines such assistance to be a necessary expenditure. Such assistance could include, for example, a program to assist individuals with payment of overdue rent or mortgage payments to avoid eviction or foreclosure or unforeseen financial costs for funerals and other emergency individual needs. Such assistance should be structured in a manner to ensure as much as possible, within the realm of what is administratively feasible, that such assistance is necessary.

**24. *The Guidance provides that eligible expenditures may include expenditures related to the provision of grants to small businesses to reimburse the costs of business interruption caused by required closures. What is meant by a “small business,” and is the Guidance intended to refer only to expenditures to cover administrative expenses of such a grant program?***

Governments have discretion to determine what payments are necessary. A program that is aimed at assisting small businesses with the costs of business interruption caused by required closures should be tailored to assist those businesses in need of such assistance. The amount of a grant to a small business to reimburse the costs of business interruption caused by required closures would also be an eligible expenditure under section 601(d) of the Social Security Act, as outlined in the Guidance.

**25. *The Guidance provides that expenses associated with the provision of economic support in connection with the public health emergency, such as expenditures related to the provision of grants to small businesses to reimburse the costs of business interruption caused by required closures, would constitute eligible expenditures of Fund payments. Would such expenditures be eligible in the absence of a stay-at-home order?***

Fund payments may be used for economic support in the absence of a stay-at-home order if such expenditures are determined by the government to be necessary. This may include, for example, a grant program to benefit small businesses that close voluntarily to promote social distancing measures or that are affected by decreased customer demand as a result of the COVID-19 public health emergency.

**26. *May Fund payments be used to assist impacted property owners with the payment of their property taxes?***

Fund payments may not be used for government revenue replacement, including the provision of assistance to meet tax obligations.

**27. *May Fund payments be used to replace foregone utility fees? If not, can Fund payments be used as a direct subsidy payment to all utility account holders?***

Fund payments may not be used for government revenue replacement, including the replacement of unpaid utility fees. Fund payments may be used for subsidy payments to electricity account holders to the extent that the subsidy payments are deemed by the recipient to be necessary expenditures incurred due to the COVID-19 public health emergency and meet the other criteria of section 601(d) of the Social Security Act outlined in the Guidance. For example, if determined to be a necessary expenditure, a government could provide grants to individuals facing economic hardship to allow them to pay their utility fees and thereby continue to receive essential services.

**28. *Could Fund payments be used for capital improvement projects that broadly provide potential economic development in a community?***

In general, no. If capital improvement projects are not necessary expenditures incurred due to the COVID-19 public health emergency, then Fund payments may not be used for such projects.

However, Fund payments may be used for the expenses of, for example, establishing temporary public medical facilities and other measures to increase COVID-19 treatment capacity or improve mitigation measures, including related construction costs.

**29. *The Guidance includes workforce bonuses as an example of ineligible expenses but provides that hazard pay would be eligible if otherwise determined to be a necessary expense. Is there a specific definition of “hazard pay”?***

Hazard pay means additional pay for performing hazardous duty or work involving physical hardship, in each case that is related to COVID-19.

**30. *The Guidance provides that ineligible expenditures include “[p]ayroll or benefits expenses for employees whose work duties are not substantially dedicated to mitigating or responding to the COVID-19 public health emergency.” Is this intended to relate only to public employees?***

Yes. This particular nonexclusive example of an ineligible expenditure relates to public employees. A recipient would not be permitted to pay for payroll or benefit expenses of private employees and any financial assistance (such as grants or short-term loans) to private employers are not subject to the restriction that the private employers’ employees must be substantially dedicated to mitigating or responding to the COVID-19 public health emergency.

**31. *May counties pre-pay with CARES Act funds for expenses such as a one or two-year facility lease, such as to house staff hired in response to COVID-19?***

A government should not make prepayments on contracts using payments from the Fund to the extent that doing so would not be consistent with its ordinary course policies and procedures.

**32. *Must a stay-at-home order or other public health mandate be in effect in order for a government to provide assistance to small businesses using payments from the Fund?***

No. The Guidance provides, as an example of an eligible use of payments from the Fund, expenditures related to the provision of grants to small businesses to reimburse the costs of business interruption caused by required closures. Such assistance may be provided using amounts received from the Fund in the absence of a requirement to close businesses if the relevant government determines that such expenditures are necessary in response to the public health emergency.



**33. *Should States receiving a payment transfer funds to local governments that did not receive payments directly from Treasury?***

Yes, provided that the transferred funds are used by the local government for eligible expenditures under the statute. To facilitate prompt distribution of Title V funds, the CARES Act authorized Treasury to make direct payments to local governments with populations in excess of 500,000, in amounts equal to 45% of the local government's per capita share of the statewide allocation. This statutory structure was based on a recognition that it is more administratively feasible to rely on States, rather than the federal government, to manage the transfer of funds to smaller local governments. Consistent with the needs of all local governments for funding to address the public health emergency, States should transfer funds to local governments with populations of 500,000 or less, using as a benchmark the per capita allocation formula that governs payments to larger local governments. This approach will ensure equitable treatment among local governments of all sizes.

For example, a State received the minimum \$1.25 billion allocation and had one county with a population over 500,000 that received \$250 million directly. The State should distribute 45 percent of the \$1 billion it received, or \$450 million, to local governments within the State with a population of 500,000 or less.

**34. *May a State impose restrictions on transfers of funds to local governments?***

Yes, to the extent that the restrictions facilitate the State's compliance with the requirements set forth in section 601(d) of the Social Security Act outlined in the Guidance and other applicable requirements such as the Single Audit Act, discussed below. Other restrictions are not permissible.

**35. *If a recipient must issue tax anticipation notes (TANs) to make up for tax due date deferrals or revenue shortfalls, are the expenses associated with the issuance eligible uses of Fund payments?***

If a government determines that the issuance of TANs is necessary due to the COVID-19 public health emergency, the government may expend payments from the Fund on the interest expense payable on TANs by the borrower and unbudgeted administrative and transactional costs, such as necessary payments to advisors and underwriters, associated with the issuance of the TANs.

**36. *May recipients use Fund payments to expand rural broadband capacity to assist with distance learning and telework?***

Such expenditures would only be permissible if they are necessary for the public health emergency. The cost of projects that would not be expected to increase capacity to a significant extent until the need for distance learning and telework have passed due to this public health emergency would not be necessary due to the public health emergency and thus would not be eligible uses of Fund payments.

**37. *Are costs associated with increased solid waste capacity an eligible use of payments from the Fund?***

Yes, costs to address increase in solid waste as a result of the public health emergency, such as relates to the disposal of used personal protective equipment, would be an eligible expenditure.

**38. *May payments from the Fund be used to cover across-the-board hazard pay for employees working during a state of emergency?***

No. The Guidance says that funding may be used to meet payroll expenses for public safety, public health, health care, human services, and similar employees whose services are substantially dedicated to mitigating or responding to the COVID-19 public health emergency. Hazard pay is a form of payroll expense and is subject to this limitation, so Fund payments may only be used to cover hazard pay for such individuals.

**39. *May Fund payments be used for expenditures related to the administration of Fund payments by a State, territorial, local, or Tribal government?***

Yes, if the administrative expenses represent an increase over previously budgeted amounts and are limited to what is necessary. For example, a State may expend Fund payments on necessary administrative expenses incurred with respect to a new grant program established to disburse amounts received from the Fund.

**40. *May recipients use Fund payments to provide loans?***

Yes, if the loans otherwise qualify as eligible expenditures under section 601(d) of the Social Security Act as implemented by the Guidance. Any amounts repaid by the borrower before December 30, 2020, must be either returned to Treasury upon receipt by the unit of government providing the loan or used for another expense that qualifies as an eligible expenditure under section 601(d) of the Social Security Act. Any amounts not repaid by the borrower until after December 30, 2020, must be returned to Treasury upon receipt by the unit of government lending the funds.

**41. *May Fund payments be used for expenditures necessary to prepare for a future COVID-19 outbreak?***

Fund payments may be used only for expenditures necessary to address the current COVID-19 public health emergency. For example, a State may spend Fund payments to create a reserve of personal protective equipment or develop increased intensive care unit capacity to support regions in its jurisdiction not yet affected, but likely to be impacted by the current COVID-19 pandemic.

**42. *May funds be used to satisfy non-federal matching requirements under the Stafford Act?***

Yes, payments from the Fund may be used to meet the non-federal matching requirements for Stafford Act assistance to the extent such matching requirements entail COVID-19-related costs that otherwise satisfy the Fund's eligibility criteria and the Stafford Act. Regardless of the use of Fund payments for such purposes, FEMA funding is still dependent on FEMA's determination of eligibility under the Stafford Act.

**43. *Must a State, local, or tribal government require applications to be submitted by businesses or individuals before providing assistance using payments from the Fund?***

Governments have discretion to determine how to tailor assistance programs they establish in response to the COVID-19 public health emergency. However, such a program should be structured in such a manner as will ensure that such assistance is determined to be necessary in response to the COVID-19 public health emergency and otherwise satisfies the requirements of the CARES Act and other applicable law. For example, a per capita payment to residents of a particular jurisdiction without an assessment of individual need would not be an appropriate use of payments from the Fund.



**44. *May Fund payments be provided to non-profits for distribution to individuals in need of financial assistance, such as rent relief?***

Yes, non-profits may be used to distribute assistance. Regardless of how the assistance is structured, the financial assistance provided would have to be related to COVID-19.

**45. *May recipients use Fund payments to remarket the recipient's convention facilities and tourism industry?***

Yes, if the costs of such remarketing satisfy the requirements of the CARES Act. Expenses incurred to publicize the resumption of activities and steps taken to ensure a safe experience may be needed due to the public health emergency. Expenses related to developing a long-term plan to reposition a recipient's convention and tourism industry and infrastructure would not be incurred due to the public health emergency and therefore may not be covered using payments from the Fund.

**46. *May a State provide assistance to farmers and meat processors to expand capacity, such to cover overtime for USDA meat inspectors?***

If a State determines that expanding meat processing capacity, including by paying overtime to USDA meat inspectors, is a necessary expense incurred due to the public health emergency, such as if increased capacity is necessary to allow farmers and processors to donate meat to food banks, then such expenses are eligible expenses, provided that the expenses satisfy the other requirements set forth in section 601(d) of the Social Security Act outlined in the Guidance.

**47. *The guidance provides that funding may be used to meet payroll expenses for public safety, public health, health care, human services, and similar employees whose services are substantially dedicated to mitigating or responding to the COVID-19 public health emergency. May Fund payments be used to cover such an employee's entire payroll cost or just the portion of time spent on mitigating or responding to the COVID-19 public health emergency?***

As a matter of administrative convenience, the entire payroll cost of an employee whose time is substantially dedicated to mitigating or responding to the COVID-19 public health emergency is eligible, provided that such payroll costs are incurred by December 30, 2020. An employer may also track time spent by employees related to COVID-19 and apply Fund payments on that basis but would need to do so consistently within the relevant agency or department.

**48. *May Fund payments be used to cover increased administrative leave costs of public employees who could not telework in the event of a stay at home order or a case of COVID-19 in the workplace?***

The statute requires that payments be used only to cover costs that were not accounted for in the budget most recently approved as of March 27, 2020. As stated in the Guidance, a cost meets this requirement if either (a) the cost cannot lawfully be funded using a line item, allotment, or allocation within that budget or (b) the cost is for a substantially different use from any expected use of funds in such a line item, allotment, or allocation. If the cost of an employee was allocated to administrative leave to a greater extent than was expected, the cost of such administrative leave may be covered using payments from the Fund.

**49. *Are States permitted to use Coronavirus Relief Fund payments to satisfy non-federal matching requirements under the Stafford Act, including “lost wages assistance” authorized by the Presidential Memorandum on Authorizing the Other Needs Assistance Program for Major Disaster Declarations Related to Coronavirus Disease 2019 (August 8, 2020)?***

Yes. As previous guidance has stated, payments from the Fund may be used to meet the non-federal matching requirements for Stafford Act assistance to the extent such matching requirements entail COVID-19-related costs that otherwise satisfy the Fund’s eligibility criteria and the Stafford Act. States are fully permitted to use payments from the Fund to satisfy 100% of their cost share for lost wages assistance recently made available under the Stafford Act.

**50. *At what point would costs be considered to be incurred in the case of a grant made by a State, local, or tribal government to cover interest and principal amounts of a loan, such as might be provided as part of a small business assistance program in which the loan is made by a private institution?***

A grant made to cover interest and principal costs of a loan, including interest and principal due after the period that begins on March 1, 2020, and ends on December 30, 2020 (the “covered period”), will be considered to be incurred during the covered period if (i) the full amount of the loan is advanced to the borrower within the covered period and (ii) the proceeds of the loan are used by the borrower to cover expenses incurred during the covered period. In addition, if these conditions are met, the amount of the grant will be considered to have been used during the covered period for purposes of the requirement that expenses be incurred within the covered period. Such a grant would be analogous to a loan provided by the Fund recipient itself that incorporates similar loan forgiveness provisions. As with any other assistance provided by a Fund recipient, such a grant would need to be determined by the recipient to be necessary due to the public health emergency.

**51. *If governments use Fund payments as described in the Guidance to establish a grant program to support businesses, would those funds be considered gross income taxable to a business receiving the grant under the Internal Revenue Code (Code)?***

Please see the answer provided by the Internal Revenue Service (IRS) available at <https://www.irs.gov/newsroom/cares-act-coronavirus-relief-fund-frequently-asked-questions>.

**52. *If governments use Fund payments as described in the Guidance to establish a loan program to support businesses, would those funds be considered gross income taxable to a business receiving the loan under the Code?***

Please see the answer provided by the IRS available at <https://www.irs.gov/newsroom/cares-act-coronavirus-relief-fund-frequently-asked-questions>.

**B. Questions Related to Administration of Fund Payments**

**1. *Do governments have to return unspent funds to Treasury?***

Yes. Section 601(f)(2) of the Social Security Act, as added by section 5001(a) of the CARES Act, provides for recoupment by the Department of the Treasury of amounts received from the Fund that have not been used in a manner consistent with section 601(d) of the Social Security Act. If a government has not used funds it has received to cover costs that were incurred by December 30, 2020, as required by the statute, those funds must be returned to the Department of the Treasury.



**2. *What records must be kept by governments receiving payment?***

A government should keep records sufficient to demonstrate that the amount of Fund payments to the government has been used in accordance with section 601(d) of the Social Security Act.

**3. *May recipients deposit Fund payments into interest bearing accounts?***

Yes, provided that if recipients separately invest amounts received from the Fund, they must use the interest earned or other proceeds of these investments only to cover expenditures incurred in accordance with section 601(d) of the Social Security Act and the Guidance on eligible expenses. If a government deposits Fund payments in a government's general account, it may use those funds to meet immediate cash management needs provided that the full amount of the payment is used to cover necessary expenditures. Fund payments are not subject to the Cash Management Improvement Act of 1990, as amended.

**4. *May governments retain assets purchased with payments from the Fund?***

Yes, if the purchase of the asset was consistent with the limitations on the eligible use of funds provided by section 601(d) of the Social Security Act.

**5. *What rules apply to the proceeds of disposition or sale of assets acquired using payments from the Fund?***

If such assets are disposed of prior to December 30, 2020, the proceeds would be subject to the restrictions on the eligible use of payments from the Fund provided by section 601(d) of the Social Security Act.

**6. *Are Fund payments to State, territorial, local, and tribal governments considered grants?***

No. Fund payments made by Treasury to State, territorial, local, and Tribal governments are not considered to be grants but are "other financial assistance" under 2 C.F.R. § 200.40.

**7. *Are Fund payments considered federal financial assistance for purposes of the Single Audit Act?***

Yes, Fund payments are considered to be federal financial assistance subject to the Single Audit Act (31 U.S.C. §§ 7501-7507) and the related provisions of the Uniform Guidance, 2 C.F.R. § 200.303 regarding internal controls, §§ 200.330 through 200.332 regarding subrecipient monitoring and management, and subpart F regarding audit requirements.

**8. *Are Fund payments subject to other requirements of the Uniform Guidance?***

Fund payments are subject to the following requirements in the Uniform Guidance (2 C.F.R. Part 200): 2 C.F.R. § 200.303 regarding internal controls, 2 C.F.R. §§ 200.330 through 200.332 regarding subrecipient monitoring and management, and subpart F regarding audit requirements.

**9. *Is there a Catalog of Federal Domestic Assistance (CFDA) number assigned to the Fund?***

Yes. The CFDA number assigned to the Fund is 21.019.

**10. *If a State transfers Fund payments to its political subdivisions, would the transferred funds count toward the subrecipients' total funding received from the federal government for purposes of the Single Audit Act?***

Yes. The Fund payments to subrecipients would count toward the threshold of the Single Audit Act and 2 C.F.R. part 200, subpart F re: audit requirements. Subrecipients are subject to a single audit or program-specific audit pursuant to 2 C.F.R. § 200.501(a) when the subrecipients spend \$750,000 or more in federal awards during their fiscal year.

**11. *Are recipients permitted to use payments from the Fund to cover the expenses of an audit conducted under the Single Audit Act?***

Yes, such expenses would be eligible expenditures, subject to the limitations set forth in 2 C.F.R. § 200.425.

**12. *If a government has transferred funds to another entity, from which entity would the Treasury Department seek to recoup the funds if they have not been used in a manner consistent with section 601(d) of the Social Security Act?***

The Treasury Department would seek to recoup the funds from the government that received the payment directly from the Treasury Department. State, territorial, local, and Tribal governments receiving funds from Treasury should ensure that funds transferred to other entities, whether pursuant to a grant program or otherwise, are used in accordance with section 601(d) of the Social Security Act as implemented in the Guidance.

**AGENDA #6.4**  
**SCOTT COUNTY, MINNESOTA**  
**REQUEST FOR BOARD ACTION**  
**MEETING DATE: SEPTEMBER 15, 2020**

|                                |   |                        |  |
|--------------------------------|---|------------------------|--|
| <b>ORIGINATING DIVISION:</b>   | Planning & Res. Mgmt.   | <b>CONSENT AGENDA:</b> | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No                          |
| <b>ORIGINATING DEPARTMENT:</b> | Natural Resources   |                        |  |
| <b>PRESENTER:</b>              | Melissa Bokman Ermer<br>- 8887  | <b>ATTACHMENTS:</b>    | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No                          |
| <b>PROJECT:</b>                | Vermillion River Watershed JPO  | <b>TIME REQUESTED:</b> | NA   |
| <b>ACTION REQUESTED:</b>       | Adopt Resolution No. 2020-144; Approving the Preliminary 2021 Budget and Levy of \$33,350 for the Scott County Vermillion River Watershed Special Taxing District |                        |  |
| <b>CONTRACT/POLICY/GRANT:</b>  | <input checked="" type="checkbox"/> County Attorney Review<br><input type="checkbox"/> Risk Management Review   | <b>FISCAL:</b>         | <input checked="" type="checkbox"/> Finance Review<br><input type="checkbox"/> Budget Change |

**ORGANIZATIONAL VALUES:**

- ☐ **Customer Service:** We will deliver government services in a respectful, responsive, and solution-oriented manner
- ☐ **Communication:** We will always be clear about what we're doing and why we're doing it
- ☒ **Collaboration:** We will work with partners – communities, schools, faith groups, private business, and non-profit agencies – to see that services are not duplicated but rather are complimentary, aligned and provided by the partners who can deliver the service most effectively
- ☒ **Stewardship:** We will work proactively to make investments, guided by resident input, which will transform lives, communities, and government
- ☐ **Empowerment:** We will work with individuals and families to affirm strengths, develop skills, restore hope, and promote self-reliance
- ☐ **Resiliency:** We will foster public preparedness and respond when families and communities face health and safety emergencies
- ☐ **Innovation:** We will take informed risks to deliver services more effectively and will learn from our successes and failures

|  |   |
|--|---|
| <b>DEPARTMENT/DIVISION HEAD SIGNATURE:</b> | <b>COUNTY ADMINISTRATOR SIGNATURE:</b>  |
|  |   |
| <b>Approved:</b>                           | <b>DISTRIBUTION/FILING INSTRUCTIONS:</b><br><br>Melissa Bokman Ermer, Sr. Water Resources Planner<br>Cindy Geis, Property Tax & Customer Service Manager<br>Danny Lenz, Chief Financial Officer |
| <b>Denied:</b>                             |   |
| <b>Tabled:</b>                             |   |
| <b>Other:</b>                              |   |
| <b>Deputy Clerk :</b>                      |   |
| <b>Date:</b>                               |   |

**Background/Justification:**

The purpose of this agenda item is to adopt Resolution No. 2020-144; Approving the Preliminary 2021 Budget and Levy of \$33,350 for the Scott County Vermillion River Watershed Special Taxing District.

In 2002 the Scott County Board adopted Resolution No. 2002-074 establishing a special taxing district for the Vermillion River Watershed funding pursuant to Minn. Stat. §103B.245. The purpose of this special taxing



district is to provide funding for Vermillion River Watershed management and Watershed management plan implementation activities.

The Vermillion River Watershed Joint Powers Board held a public hearing on August 27, 2020 and recommended a levy of \$33,350 for Scott County's portion of the Watershed. The levy would be effective for taxes payable 2021. Dakota County's portion of the annual levy is \$966,650. The budget approved by the Vermillion River Watershed Joint Powers Board is attached.

Scott County's portion of the levy represents a decrease from 2020 to 2021 of \$650, or roughly 2 percent. This results in a change in net payable property taxes in the taxing district for the average property value estimated as ranging from \$1.81 (9.73%) to -\$3.81 (-20.5%) depending on whether the property gained or lost value over the last year.

The levy amounts from Scott and Dakota County portions of the Watershed, combined with income from other sources and a cash reserve, results in a total budget for the Vermillion River Watershed Joint Powers Organization of \$2,649,200 for 2021.

Fiscal Impact:

This action sets the preliminary levy and budget for 2021.

**BOARD OF COUNTY COMMISSIONERS  
SCOTT COUNTY, MINNESOTA**

|                                  |                    |
|----------------------------------|--------------------|
| <b>Date:</b>                     | September 15, 2020 |
| <b>Resolution No.:</b>           | 2020-144           |
| <b>Motion by Commissioner:</b>   |                    |
| <b>Seconded by Commissioner:</b> |                    |

**RESOLUTION NO. 2020-144; APPROVING THE PRELIMINARY 2021 BUDGET AND LEVY OF \$33,350  
FOR THE SCOTT COUNTY VERMILLION RIVER WATERSHED SPECIAL TAXING DISTRICT**

WHEREAS, on September 3, 2002, the Scott County Board adopted Resolution No. 2002-074 establishing a special taxing district for the Vermillion River Watershed funding pursuant to Minn. Stat. §103B.241; and

WHEREAS, the Vermillion River Watershed Joint Powers Board met on August 27, 2020, held a public hearing, and recommended a levy of \$33,350 for the Scott County portion of the Watershed effective for 2021; and

WHEREAS, the levy amounts from Scott and Dakota County portions of the Watershed combined with income from other sources and a cash reserve gives a total budget for the Vermillion River Watershed Joint Powers Organization of \$2,649,200 for 2021.

NOW THEREFORE BE IT RESOLVED, by the Scott County Board of Commissioners, that pursuant to the Joint Powers Agreement, the levy for the Vermillion River Watershed Special Taxing District shall be \$33,350 for taxes payable in 2021.

BE IT FURTHER RESOLVED, that pending final adoption of the levy and budget by the Vermillion River Watershed Joint Powers Board, the Scott County Administrator is directed to file a certified copy of the Resolution with the Scott County Auditor and Chief Financial Officer.

BE IT FINALLY RESOLVED, that Scott County is requested to prepare the Property Tax Statements and distribute same.

| <b>COMMISSIONERS</b> | <b>VOTE</b>   |
|----------------------|---|
| Weckman Brekke       | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Absent <input type="checkbox"/> Abstain |
| Wolf                 | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Absent <input type="checkbox"/> Abstain |
| Beard                | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Absent <input type="checkbox"/> Abstain |
| Beer                 | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Absent <input type="checkbox"/> Abstain |
| Ulrich               | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Absent <input type="checkbox"/> Abstain |

**State of Minnesota)**

**County of Scott    )**

I, Lezlie A. Vermillion, duly appointed qualified County Administrator for the County of Scott, State of Minnesota, do hereby certify that I have compared the foregoing copy of a resolution with the original minutes of the proceedings of the Board of County Commissioners, Scott County, Minnesota, at their session held on the 15<sup>th</sup> day of September, 2020 now on file in my office, and have found the same to be a true and correct copy thereof.

Witness my hand and official seal at Shakopee, Minnesota, this 15<sup>th</sup> day of September, 2020.

\_\_\_\_\_  
County Administrator  
\_\_\_\_\_  
Administrator's Designee

## VRWJPO Draft 2021 Budget

| <u>Category</u>                                     | <u>Budget Items</u>   | <u>2021<br/>Draft Budget<br/>Amount</u> | <u>Budget % of<br/>Total</u> | <u>2020<br/>Revised Budget<br/>Amount</u> | <u>Budget %<br/>of Total</u> |
|---|---|---|------------------------------|---|------------------------------|
| <b>EXPENSES</b>                                     |   |   |                              |   |                              |
| <b>Administration and Operations</b><br>-2170020000 | 1 Dakota County VRW Staff   | \$175,000                               | 6.6%                         | \$175,000                                 | 6.3%                         |
|   | 2 Scott County VRW Staff  | \$13,500                                | 0.5%                         | \$13,500                                  | 0.5%                         |
|   | 3 Other Dakota County Staff Time  | \$12,000                                | 0.5%                         | \$12,000                                  | 0.4%                         |
|   | 4 Legal Support   | \$25,000                                | 0.9%                         | \$25,000                                  | 0.9%                         |
|   | 5 Miscellaneous Expenses (per diems, mileage, postage, etc.)                          | \$6,000                                 | 0.2%                         | \$6,000                                   | 0.2%                         |
|   | 6 Training, Conferences, and Certifications   | \$2,000                                 | 0.1%                         | \$2,000                                   | 0.1%                         |
| <b>Subtotal Administrative</b>                      |   | <b>\$233,500</b>                        | <b>8.8%</b>                  | <b>\$233,500</b>                          | <b>8.4%</b>                  |
| <b>Research and Planning</b><br>-2170020130         | 1 Dakota SWCD Incentive Program Policy Assistance                                     | \$1,600                                 | 0.1%                         | \$1,600                                   | 0.1%                         |
|   | 2 Scott County Staff  | \$2,000                                 | 0.1%                         | \$2,000                                   | 0.1%                         |
|   | 3 VRW Staff   | \$12,000                                | 0.5%                         | \$12,000                                  | 0.4%                         |
|   | 4 Conservation Attitudes and Behaviors Survey   | \$50,000                                | 1.9%                         | \$50,000                                  |                              |
| <b>Subtotal Research and Planning</b>               |   | <b>\$65,600</b>                         | <b>2.5%</b>                  | <b>\$65,600</b>                           | <b>2.4%</b>                  |
| <b>Monitoring and Assessment</b><br>-2170020230     | 1 Vermillion River Monitoring Network in Dakota Co.                                   |   |                              |   |                              |
|   | 1a Staff Time for Sample Collection, Equipment Installation, Maintenance, Downloading | \$39,000                                | 1.5%                         | \$39,000                                  | 1.4%                         |
|   | 1b Data analysis, database management, data reporting, FLUX modeling, reporting       | \$17,000                                | 0.6%                         | \$17,000                                  | 0.6%                         |
|   | 1c Water Quality Sample Analysis and QA/QC samples                                    | \$19,000                                | 0.7%                         | \$19,000                                  | 0.7%                         |
|   | 1d Equipment and Supplies   | \$8,000                                 | 0.3%                         | \$8,000                                   | 0.3%                         |
|   | 2 Vermillion River Monitoring Network in Scott Co                                     | \$9,800                                 | 0.4%                         | \$9,800                                   | 0.4%                         |
|   | 3 USGS Cost Share for Blaine Ave. Station   | \$8,900                                 | 0.3%                         | \$8,900                                   | 0.3%                         |
|   | 4 DNR Flow Gaging Assistance  | \$9,700                                 | 0.4%                         | \$9,700                                   | 0.4%                         |
|   | 5a Biological and Habitat Assessments   | \$7,000                                 | 0.3%                         | \$7,000                                   | 0.3%                         |
|   | 5b Electrofishing   | \$16,000                                | 0.6%                         | \$16,000                                  | 0.6%                         |
|   | 7 Monitoring Programs Review and Evaluation   | \$15,000                                | 0.6%                         | \$15,000                                  | 0.5%                         |

## VRWJPO Draft 2021 Budget

| <u>Category</u>  | <u>Budget Items</u>  | <u>2021<br/>Draft Budget<br/>Amount</u> | <u>Budget % of<br/>Total</u> | <u>2020<br/>Revised Budget<br/>Amount</u> | <u>Budget %<br/>of Total</u> |
|--|--|---|------------------------------|---|------------------------------|
|  | 8 General GIS support (Dakota SWCD)                              | \$5,000                                 | 0.2%                         | \$5,000                                   | 0.2%                         |
|  | 9 Nitrate Treatment Practice Sampling                            | \$1,000                                 | 0.0%                         | \$1,000                                   | 0.0%                         |
|  | 10 Iron Enhanced Sand Filter Performance Sampling                | \$2,000                                 | 0.1%                         | \$2,000                                   | 0.1%                         |
|  | 11 East Lake Carp Assessment                                     | \$3,200                                 | 0.1%                         | \$3,200                                   | 0.1%                         |
|  | <b>Subtotal Monitoring and Data Analysis</b>                     | <b>\$160,600</b>                        | <b>6.1%</b>                  | <b>\$160,600</b>                          | <b>5.8%</b>                  |
| <b>Public Communications and Outreach</b><br>-2170020330 | 1 Communication and Outreach Staff                               | \$110,000                               | 4.2%                         | \$110,000                                 | 4.0%                         |
|  | 2 Wetland Health Evaluation Program Cost Share                   | \$3,000                                 | 0.1%                         | \$3,000                                   | 0.1%                         |
|  | 3 Vermillion River Watch Program                                 | \$6,000                                 | 0.2%                         | \$6,000                                   | 0.2%                         |
|  | 4 Vermillion River Stewards                                      | \$20,000                                | 0.8%                         | \$20,000                                  | 0.7%                         |
|  | 5 Scott County Outreach Efforts                                  | \$2,050                                 | 0.1%                         | \$2,050                                   | 0.1%                         |
|  | 6 Vermillion River Watershed Projects Signage and Map Updates    | \$5,000                                 | 0.2%                         | \$5,000                                   | 0.2%                         |
|  | 7 Newsletter, Mailings, Website, General Communication Materials | \$10,000                                | 0.4%                         | \$10,000                                  | 0.4%                         |
|  | 9 Landscaping for Clean Water Workshop Program (Dakota SWCD)     | \$30,400                                | 1.1%                         | \$30,400                                  | 1.1%                         |
|  | 10 K-12 Classroom Presentations (Dakota SWCD)                    | \$4,000                                 | 0.2%                         | \$4,000                                   | 0.1%                         |
|  | 11 Children's Water Festival Support                             | \$600                                   | 0.0%                         | \$600                                     | 0.0%                         |
|  | 12 Watershed Partners  | \$5,000                                 | 0.2%                         | \$5,000                                   | 0.2%                         |
|  | 13 Watershed Tours   | \$1,500                                 | 0.1%                         | \$0                                       | 0.0%                         |
|  | 14 Master Water Stewards   | \$12,500                                | 0.5%                         | \$12,500                                  | 0.5%                         |
|  | 15 Local Standards/ Ordinance and Turf/ Salt Workshops           | \$3,500                                 | 0.1%                         | \$3,500                                   | 0.1%                         |
|  | <b>Subtotal Public Outreach and Communication</b>                | <b>\$213,550</b>                        | <b>8.1%</b>                  | <b>\$212,050</b>                          | <b>7.7%</b>                  |
| <b>Regulation</b><br>-2170020530                         | 2 Scott SWCD Assistance with Plan Review                         | \$900                                   | 0.0%                         | \$900                                     | 0.0%                         |
|  | 3 Engineering Assistance and Review                              | \$45,000                                | 1.7%                         | \$45,000                                  | 1.6%                         |
|  | 4 VRW Staff Local Program Assistance                             | \$20,000                                | 0.8%                         | \$20,000                                  | 0.7%                         |
| <b>Subtotal Regulation</b>                               |  | <b>\$65,900</b>                         | <b>2.5%</b>                  | <b>\$65,900</b>                           | <b>2.4%</b>                  |

## VRWJPO Draft 2021 Budget

| Category  | Budget Items  | 2021<br>Draft Budget<br>Amount | Budget % of<br>Total | 2020<br>Revised Budget<br>Amount | Budget %<br>of Total |
|---|---|--------------------------------|----------------------|----------------------------------|----------------------|
| Coordination and Collaboration<br>-2170020531   | 1 Coordination VRW Staff  | \$25,000                       | 0.9%                 | \$20,000                         | 0.7%                 |
| <b>Subtotal Coordination and Collaboration</b>  |   | <b>\$25,000</b>                | <b>0.9%</b>          | <b>\$20,000</b>                  | <b>0.7%</b>          |
| <b>Land and Water Treatment</b>                 |   |                                |                      |                                  |                      |
| Capital Improvement Projects<br>-2170920130     | 1 Rosemount Cost Share JPA  | \$58,000                       | 2.2%                 | \$58,000                         | 2.1%                 |
|   | 2 Cost Share Programs in Dakota County (SWCD)   | \$80,000                       | 3.0%                 | \$80,000                         | 2.9%                 |
|   | 3 Cost Share Programs in Scott County (SWCD)  | \$41,300                       | 1.6%                 | \$41,300                         | 1.5%                 |
|   | 4 Cost-share  | \$325,000                      | 12.3%                | \$170,000                        | 6.1%                 |
|   | 5 WBIF Grant match  | \$65,000                       | 2.5%                 |                                  |                      |
| <b>Subtotal Capital Improvement Projects</b>    |   | <b>\$569,300</b>               | <b>21.5%</b>         | <b>\$449,300</b>                 | <b>16.2%</b>         |
| Maintenance<br>-2170920130                      | 1 Past projects maintenance/ repair   | \$25,000                       | 0.9%                 | \$55,000                         | 2.0%                 |
|   | 2 CIP construction oversight, maintenance/ repair staff costs                                   | \$25,000                       | 0.9%                 |                                  |                      |
| <b>Subtotal Maintenance</b>                     |   | <b>\$50,000</b>                | <b>1.9%</b>          | <b>\$55,000</b>                  | <b>2.0%</b>          |
| Feasibility/Preliminary Studies<br>-2170020631  | 1 Preliminary Design, Technical Assistance and Marketing for Capital Improvements (Dakota SWCD) | \$40,000                       | 1.5%                 | \$40,000                         | 1.4%                 |
|   | 2 Preliminary Design, Technical Assistance and Marketing for Capital Improvements               | \$100,000                      | 3.8%                 | \$70,000                         | 2.5%                 |
|   | Irrigation Audits 2020  |                                |                      | \$10,000                         | 0.4%                 |
| <b>Subtotal Feasibility/Preliminary Studies</b> |   | <b>\$140,000</b>               | <b>\$0</b>           | <b>\$120,000</b>                 | <b>4.3%</b>          |
| Irrigation Audit and Cost Share Program         | 1 Irrigation Audits   | \$5,000                        |                      |                                  |                      |
|   | 2 Irrigation Cost-Share   | \$5,000                        |                      |                                  |                      |
| <b>Subtotal Irrigation Audit and Cost Share</b> |   | <b>\$10,000</b>                |                      |                                  |                      |

## VRWJPO Draft 2021 Budget

| Category   | Budget Items                                       | 2021<br>Draft Budget<br>Amount | Budget % of<br>Total | 2020<br>Revised Budget<br>Amount | Budget %<br>of Total |
|--|--|--------------------------------|----------------------|----------------------------------|----------------------|
| Met Council Grant<br>-2170020832                                 | 1 Tropics Building Stormwater Reuse (grant)        | \$0                            | 0.0%                 | \$0                              | 0.0%                 |
|  | 2 Tropics Building Stormwater Reuse (VRWJPO match) | \$0                            | 0.0%                 | \$0                              | 0.0%                 |
| <b>Subtotal Met Council Grant</b>                                |  | <b>\$0</b>                     | <b>\$0</b>           | <b>\$0</b>                       | <b>0.0%</b>          |
| CWF Grant (BWSR) Middle Creek Highview<br>-2170020852            | 1 Middle Creek Restoration                         | \$380,000                      | 14.3%                | \$380,000                        | 13.7%                |
|  | 2 VRWJPO cash match                                | \$50,000                       | 1.9%                 | \$50,000                         | 1.8%                 |
| <b>Subtotal CPL Grant Middle Creek/ Pinnacle Reserve</b>         |  | <b>\$430,000</b>               | <b>\$0</b>           | <b>\$430,000</b>                 | <b>15.5%</b>         |
| CWF Grant (BWSR) Alimagnet Lake<br>-2170020836                   | 1 Alimagnet Lake Stormwater Improvement Projects   | \$0                            | 0.0%                 | \$0                              | 0.0%                 |
|  | 2 VRWJPO cash match                                | \$0                            | 0.0%                 | \$6,060                          | 0.2%                 |
| <b>Subtotal CWF Grant Alimagnet</b>                              |  | <b>\$0</b>                     | <b>\$0</b>           | <b>\$6,060</b>                   | <b>0.2%</b>          |
| CWF Grant (BWSR) Phosphorus Treatment Cty Rd 50<br>-2170020837   | 1 Phosphorus Treatment County Road 50              | \$0                            | 0.0%                 | \$0                              | 0.0%                 |
|  | 2 VRWJPO cash match                                | \$0                            | 0.0%                 | \$0                              | 0.0%                 |
| <b>Subtotal CWF Grant Cty Rd 50</b>                              |  | <b>\$0</b>                     | <b>\$0</b>           | <b>\$0</b>                       | <b>0.0%</b>          |
| CWF Grant (BWSR) South Branch Nitrate Treatment<br>-2170020838   | 1 South Branch Nitrate Treatment (Phase II)        | \$0                            | 0.0%                 | \$60,000                         | 2.2%                 |
|  | 2 VRWJPO cash match                                | \$0                            | 0.0%                 | \$20,000                         | 0.7%                 |
| <b>Subtotal CWF Grant South Branch Nitrate</b>                   |  | <b>\$0</b>                     | <b>\$0</b>           | <b>\$80,000</b>                  | <b>2.9%</b>          |
| CWF Grant (BWSR) Lakeville Hydrodynamic Separator<br>-2170020839 | 1 Lakeville Hydrodynamic Separator                 | \$0                            | 0.0%                 | \$0                              | 0.0%                 |
|  | 2 VRWJPO cash match                                | \$0                            | 0.0%                 | \$0                              | 0.0%                 |
| <b>Subtotal CWF Grant Hydrodynamic Separator</b>                 |  | <b>\$0</b>                     | <b>\$0</b>           | <b>\$0</b>                       | <b>0.0%</b>          |

## VRWJPO Draft 2021 Budget

| Category   | Budget Items                                 | 2021<br>Draft Budget<br>Amount | Budget % of<br>Total | 2020<br>Revised Budget<br>Amount | Budget %<br>of Total |
|--|--|--------------------------------|----------------------|----------------------------------|----------------------|
| CWF Grant (BWSR) South Creek Temperature Reduction             | 1 South Creek Temperature Reduction          | \$0                            | 0.0%                 | \$0                              | 0.0%                 |
| -2170020840  | 2 VRWJPO cash match                          | \$0                            | 0.0%                 | \$0                              | 0.0%                 |
| Subtotal CWF Grant South Creek Temperature Reduction           |  | \$0                            | \$0                  | \$0                              | 0.0%                 |
| CWF Grant (BWSR) Erickson Park Stormwater Improvement          | 1 Erickson Park Stormwater Improvement       | \$114,250                      | 4.3%                 | \$100,000                        | 3.6%                 |
| -2170020841  | 2 VRWJPO cash match                          | \$50,000                       | 1.9%                 | \$30,000                         | 1.1%                 |
| Subtotal CWF Grant Erickson Park Stormwater Improvement        |  | \$164,250                      | \$0                  | \$130,000                        | 4.7%                 |
| CWF Grant (BWSR) Farmington Street Project                     | 1 Farmington Street Project                  | \$0                            | 0.0%                 | \$44,300                         | 1.6%                 |
| -2170020842  | 2 VRWJPO cash match                          | \$0                            | 0.0%                 | \$55,000                         | 2.0%                 |
| Subtotal CWF Grant Farmington Street Retrofit                  |  | \$0                            | \$0                  | \$99,300                         | 3.6%                 |
| CWF Grant (BWSR) Aronson Park Stormwater Reuse                 | 1 Aronson Park Stormwater Reuse Project      | \$0                            | 0.0%                 | \$70,600                         | 2.6%                 |
| -2170020843  | 2 VRWJPO cash match                          | \$0                            | 0.0%                 | \$29,500                         | 1.1%                 |
| Subtotal CWF Grant Aronson Park Stormwater Reuse               |  | \$0                            | \$0                  | \$100,100                        | 3.6%                 |
| CWF Grant (BWSR) Webster Wetland Restoration                   | 1 Webster Wetland Restoration                | \$67,000                       | 2.5%                 | \$67,000                         | 2.4%                 |
| -2170020844  | 2 VRWJPO cash match                          | \$0                            | 0.0%                 | \$0                              | 0.0%                 |
| Subtotal CWF Grant Webster Wetland Restoration                 |  | \$67,000                       | 2.5%                 | \$67,000                         | 2.4%                 |
| CWF Grant (BWSR) Technical Assistance and Cost Share           | 1 Technical Assistance and Cost Share (TACS) | \$17,700                       | 0.7%                 | \$17,700                         | 0.6%                 |
| -2170020845  | 2 VRWJPO cash match                          | \$1,800                        | 0.1%                 | \$1,800                          | 0.1%                 |
| Subtotal CWF Grant Technical Assistance and Cost Share Program |  | \$19,500                       | 0.7%                 | \$19,500                         | 0.7%                 |

## VRWJPO Draft 2021 Budget

| Category   | Budget Items   | 2021<br>Draft Budget<br>Amount | Budget % of<br>Total | 2020<br>Revised Budget<br>Amount | Budget %<br>of Total |
|--|--|--------------------------------|----------------------|----------------------------------|----------------------|
| CWF Grant (BWSR) Imminent Health Threat Septic Upgrades      | 1 Imminent Health Threat Septic Upgrades                   | \$8,000                        | 0.3%                 | \$8,000                          | 0.3%                 |
| -2170020846  | 2 VRWJPO cash match  | \$0                            | 0.0%                 | \$0                              | 0.0%                 |
| Subtotal CWF Grant Imminent Health Threat Septic Upgrades    |  | \$8,000                        | 0.3%                 | \$8,000                          | 0.3%                 |
| CWF Grant (BWSR) Records Trail/ Grade Control                | 1 Records Trail/ Grade Control Structures                  | \$60,000                       | 2.3%                 | \$30,000                         |                      |
| -2170020849  | 2 VRWJPO cash match  | \$45,000                       | 1.7%                 | \$10,000                         |                      |
| Subtotal CWF Grant Records Trail/ Grade Control              |  | \$105,000                      | 4.0%                 | \$40,000                         |                      |
| CWF Grant (BWSR) 21st Street Ravine Outlet                   | 1 21st Street (Hastings) Ravine Outlet Modification        | \$73,800                       | 2.8%                 | \$73,800                         |                      |
| -2170020850  | 2 VRWJPO cash match  | \$73,800                       | 2.8%                 | \$73,800                         |                      |
| Subtotal CWF Grant 21st Street Ravine Outlet                 |  | \$147,600                      | 5.6%                 | \$147,600                        |                      |
| CWF Grant (BWSR) Vermillion Falls Park Bioretention          | 1 Vermillion Falls Park Bioretention Basin                 | \$14,950                       | 0.6%                 | \$14,950                         |                      |
| -2170020851  | 2 VRWJPO cash match  | \$22,050                       | 0.8%                 | \$22,050                         |                      |
| Subtotal CWF Grant Vermillion Falls Park Bioretention        |  | \$37,000                       | 1.4%                 | \$37,000                         |                      |
| CPL Grant (DNR) South Creek at Hamburg                       | 1 South Creek Restoration at Hamburg Ave (Buddy's Kitchen) | \$0                            | 0.0%                 | \$25,000                         | 0.9%                 |
| -2170020847  | 2 VRWJPO in-kind   | \$0                            | 0.0%                 | \$1,000                          | 0.0%                 |
| Subtotal CPL Grant South Creek Restoration at Hamburg Avenue |  | \$0                            | 0.0%                 | \$26,000                         | 0.9%                 |
| CWF Grant (BWSR)   | 1 WBF Grant Admin  | \$5,000                        | 0.2%                 | \$5,000                          | 0.2%                 |
| -2170020848  |  |                                | 0.0%                 |                                  | 0.0%                 |
| Subtotal WBF Grant Admin                                     |  | \$5,000                        | 0.2%                 | \$5,000                          | 0.2%                 |



## VRWJPO Draft 2021 Budget

| Category | Budget Items             | 2021<br>Draft Budget<br>Amount | Budget % of<br>Total | 2020<br>Revised Budget<br>Amount | Budget %<br>of Total |
|----------|--------------------------|--------------------------------|----------------------|----------------------------------|----------------------|
|          | Subtotal of Expenditures | \$2,516,800                    | 95.0%                | \$2,577,510                      | 93.2%                |
|          | Cash Reserve             | \$132,400                      | 5.0%                 | \$188,290                        | 6.8%                 |
|          | TOTAL Annual Expenses    | \$2,649,200                    | 100.0%               | \$2,765,800                      | 100.0%               |

## VRWJPO Draft 2021 Budget

| Category       | Budget Items                                     | 2021<br>Draft Budget<br>Amount | Budget % of<br>Total | 2020<br>Revised Budget<br>Amount | Budget %<br>of Total |
|----------------|--|--------------------------------|----------------------|----------------------------------|----------------------|
| <b>REVENUE</b> |  |                                |                      |                                  |                      |
|                | MetC Grant                                       | \$0                            | 0.0%                 | \$0                              | 0.0%                 |
|                | CIP Reserve                                      | \$220,000                      | 8.3%                 | \$257,250                        | 9.3%                 |
|                | CIP Reserve Grant Match                          | \$116,000                      | 4.4%                 | \$292,410                        |                      |
|                | Fund Balance from Underspending in Previous Year | \$225,000                      | 8.5%                 | \$569,240                        | 20.6%                |
|                | CPL Grant (DNR) South Creek at Hamburg           | \$0                            | 0.0%                 | \$25,000                         | 0.9%                 |
|                | CPL Grant (DNR) Flagstaff                        | \$0                            | 0.0%                 | \$0                              | 0.0%                 |
|                | CWF Grant (BWSR)                                 | \$380,000                      | 14.3%                | \$440,000                        | 15.9%                |
|                | CWF Grant WBIF (BWSR) 2019-2021                  | \$360,700                      | 13.6%                | \$159,400                        | 5.8%                 |
|                | CWF Grant WBIF (BWSR) 2020-2023                  | \$325,000                      | 12.3%                |                                  |                      |
|                | Dakota County AIS Grant                          | \$0                            | 0.0%                 | \$0                              | 0.0%                 |
|                | City of Lakeville AIS grant match                | \$0                            | 0.0%                 | \$0                              | 0.0%                 |
|                | Fees for Permitting Activities                   | \$2,500                        | 0.1%                 | \$2,500                          | 0.1%                 |
|                | Dakota County Levy                               | \$966,650                      | 36.5%                | \$966,000                        | 34.9%                |
|                | Scott County Levy                                | \$33,350                       | 1.3%                 | \$34,000                         | 1.2%                 |
|                | Investment Earnings                              | \$20,000                       | 0.8%                 | \$20,000                         | 0.7%                 |
|                | TOTAL Annual Revenue                             | \$2,649,200                    | 100.0%               | \$2,765,800                      | 100.0%               |

**AGENDA #6.5**  
**SCOTT COUNTY, MINNESOTA**  
**REQUEST FOR BOARD ACTION**  
**MEETING DATE: SEPTEMBER 15, 2020**

|                                |  |                        |   |
|--------------------------------|--|------------------------|---|
| <b>ORIGINATING DIVISION:</b>   | Community Services   | <b>CONSENT AGENDA:</b> | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No                                     |
| <b>ORIGINATING DEPARTMENT:</b> | PCS Admin & Elections  |                        |   |
| <b>PRESENTER:</b>              | Cindy Geis   | <b>ATTACHMENTS:</b>    | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No                                     |
| <b>PROJECT:</b>                | COVID 19   | <b>TIME REQUESTED:</b> | N/A   |
| <b>ACTION REQUESTED:</b>       | Adopt Resolution No. 2020-146; Authorizing the Purchase of an Imagecast Central Count (ICC) to Assist in Administering the Absentee Process Using Coronavirus Aid, Relief, and Economic Security (CARES) Act Funding |                        |   |
| <b>CONTRACT/POLICY/GRANT:</b>  | <input type="checkbox"/> County Attorney Review<br><input type="checkbox"/> Risk Management Review   | <b>FISCAL:</b>         | <input checked="" type="checkbox"/> Finance Review<br><input checked="" type="checkbox"/> Budget Change |

**ORGANIZATIONAL VALUES:**

- ☒ **Customer Service:** We will deliver government services in a respectful, responsive, and solution-oriented manner
- ☒ **Communication:** We will always be clear about what we're doing and why we're doing it
- ☒ **Collaboration:** We will work with partners – communities, schools, faith groups, private business, and non-profit agencies – to see that services are not duplicated but rather are complimentary, aligned and provided by the partners who can deliver the service most effectively
- ☒ **Stewardship:** We will work proactively to make investments, guided by resident input, which will transform lives, communities, and government
- ☒ **Empowerment:** We will work with individuals and families to affirm strengths, develop skills, restore hope, and promote self-reliance
- ☒ **Resiliency:** We will foster public preparedness and respond when families and communities face health and safety emergencies
- ☐ **Innovation:** We will take informed risks to deliver services more effectively and will learn from our successes and failures

|  |  |
|--|--|
| <b>DEPARTMENT/DIVISION HEAD SIGNATURE:</b> | <b>COUNTY ADMINISTRATOR SIGNATURE:</b>   |
|  |  |
| <b>Approved:</b>                           | <b>DISTRIBUTION/FILING INSTRUCTIONS:</b> |
| <b>Denied:</b>                             |  |
| <b>Tabled:</b>                             |  |
| <b>Other:</b>                              |  |
| <b>Deputy Clerk :</b>                      |  |
| <b>Date:</b>                               |  |

**Background/Justification:**

The purpose of this agenda item is to adopt Resolution No. 2020-146; Authorizing the Purchase of an Imagecast Central Count (ICC) to Assist in Administering the Absentee Process Using Coronavirus Aid, Relief, and Economic Security (CARES) Act Funding

Since early 2020, Scott County has been impacted by an outbreak of a respiratory disease caused by a novel coronavirus that has been detected across the world, including in Minnesota.

- On March 11, the World Health Organization declared COVID-19 as a pandemic.
- On March 13, the President of the United States declared a national emergency for the COVID-19 pandemic.
- On March 13, the Governor of Minnesota declared a peacetime emergency due to the COVID-19 pandemic.
- On March 17, 2020, the Scott County Board of Commissioners declared a local state of emergency due to the COVID-19 pandemic.

On March 27, 2020, the Federal Government passed the Coronavirus Aid, Relief, and Economic Security (CARES) Act, which provides over \$2 trillion in federal economic relief to protect the American people from the public health and economic impacts of COVID-19. Part of those funds was sent to states for local allocation and disbursement.

Minnesota Governor Tim Walz, through executive authority and a legislative review committee, allocated and dispersed a portion of Minnesota's CARES Act funds as Local Government Assistance based on population targets to counties, cities, and townships throughout the state. Scott County has received \$17,719,998.

The funds may be spent by the local agencies to offset public health and economic impacts of COVID-19. In order to be eligible for the funding, expenditures must pass a three-step test:

1. Expenses must be necessary expenditures incurred due to the public health emergency with respect to the Coronavirus Disease 2019 (COVID-19).
2. They must be costs that were not accounted for in the budget most recently approved as of March 27, 2020.
3. Performance or delivery must occur during the covered period, but payment of funds need not be made during that time (though it is generally expected that this will take place within 90 days of a cost being incurred.) The County deadline is 12/1/2020.

To assist in understanding eligible expenses, the United States Department of the Treasury published two documents: *Coronavirus Relief Fund Guidance to State, Territorial, Local, and Tribal Governments Updated June 30, 2020* ("Guidance"); and *Coronavirus Relief Fund Frequently Asked Questions Updated as of August 10, 2020* ("Frequently Asked Questions").

All CARES Act Funds are subject to State and Federal audit for use of the funds. This means that any subrecipients of CARES Funds from the County must also meet audit requirements.

The Scott County Board of Commissioners met in a workshop on July 7, 2020 to discuss and reiterated at their County Board meeting on July 21, 2020, their goals for allocation of the County's CARES funds. The County Board indicated that a portion of the CARES funds should be used to cover unexpected costs to the County and that beyond that, local business support was their highest priority with housing security, food security, nonprofit support, school support, and rural broadband also being priorities. The goals behind this focus are:

- Keeping employees working or getting residents working again; and
- Filling in gaps that unemployment insurance (+ stimulus), Payroll Protection Program (PPP) and other programs didn't serve; and
- Helping businesses, organizations, and residents most harmed by the pandemic; and
- Providing support to business that can sustain and grow the economy; and
- Supporting operational changes to keep businesses operating during the pandemic; and
- Providing food support for families at risk in the short term; and
- Targeting rental and mortgage programs to those in need not covered by State; and
- Supporting distance learning; and
- Supporting childcare for essential employees.

On August 4, 2020, the Scott County Board of Commissioners passed a resolution approving the establishment of a Special Revenue Fund for the CARES Act funds, targeting \$5.5 million for business support, \$2 million for housing support and \$1 million for rural broadband.

A Scott County committee reviewed staff submissions for use of CARES Act funding based on alignment with CARES Act guidance and strategies adopted by the Scott County Board.

One of the strategies that was adopted by the Board included up to \$400,000 in elections expenditures that are in excess of what the County had anticipated due to the coronavirus and the enormous amount of voters choosing to vote by other means than at the polls on election day. The increase in envelopes, postage, staff, personal protection equipment, equipment, and supplies is in response to the already high demand for voting at home.

The MN Secretary of State has estimated that approximately 40% of eligible voters will be voting by absentee in order to ensure voter safety. Scott County, as of August 24, had over 90,000 registered voters in the State Voter Registration System (SVRS). This would mean approximately 36,000 voters will cast their ballots in Scott County via Absentee.

Scott County received \$108,479.69 in funding specific for the 2020 elections cycle pursuant to Public Law 116-36 and Minnesota Laws 2020, Chapter 77, Section 4, Subd. 4. These funds are shared between Scott County and all the Cities and Townships to assist in covering additional costs that are affiliated with the administration of the 2020 elections due to COVID-19. Scott County's portion of these funds is: \$39,911.44.

The use of these funds is limited to the following expenses:

1. Ensuring the health and safety of election officials and in-person voters, including the purchase of sanitation and disinfectant supplies; and
2. Public outreach and preparations for implementing social distancing guidelines related to voting, including additional signs and staff; and
3. Facilitation, support, and preparation for increased absentee voting, including voter education materials, printing, and postage; and
4. Preparation of training materials and administration of additional training of local election officials; and
5. Preparation of new polling place locations; and
6. Purchasing an electronic roster system meeting the technology requirements of MN Statutes, Section 201.225, subd 2, along with equipment necessary to support the system.

In order to manage the enormous amount of ballots the office is expecting to handle and process this year due to COVID-19 and the push for people to avoid crowds in order to stay safe and social distance, Scott County will need an additional high speed scanner to aide in the processing of voted ballots during the last 14 days prior to the election. The cost of the additional high-speed scanner that is needed is \$22,594.54, which includes the freight charges for shipping. This will enable the County to have two high speed scanners in order to properly manage the scanning of the ballots, and to ensure that as many as possible partial results will be able to be published at the end of election day after all the precincts have reported their results. Current rules require the County to continue to process ballots that are postmarked on or before election day for seven (7) days following election day.

#### Fiscal Impact:

Scott County has received \$17,719,998 in CARES funds. By a resolution on August 4, 2020 a CARES Act Special Revenue Fund was created, the County budget amended, and the funds deposited. These purchases will be coded to utilize these funds, having no impact on the Scott County operating budget. In addition to the funds available, under MN Laws 2020, Chapter 77, federal funds pursuant to the Coronavirus Aid, Relief, and Economic Security Act, Public Law 116-136 (CARES ACT) were appropriated to the MN Secretary of State for the purpose of funding the additional 2020 State Primary and General Elections costs that will be incurred due to the pandemic. Scott County was allocated \$108,479.69 of which Scott County will retain \$39,911.44 and the remaining funds will be sent to the Cities and Townships.



**BOARD OF COUNTY COMMISSIONERS  
SCOTT COUNTY, MINNESOTA**

|                                  |                    |
|----------------------------------|--------------------|
| <b>Date:</b>                     | September 15, 2020 |
| <b>Resolution No.:</b>           | 2020-146           |
| <b>Motion by Commissioner:</b>   |                    |
| <b>Seconded by Commissioner:</b> |                    |

**RESOLUTION NO. 2020-146; AUTHORIZING THE PURCHASE OF AN IMAGECAST  
CENTRAL COUNT (ICC) TO ASSIST IN ADMINISTERING THE ABSENTEE PROCESS USING  
CORONAVIRUS AID, RELIEF, AND ECONOMIC SECURITY (CARES) ACT FUNDING**

WHEREAS, COVID-19, a global pandemic has caused a public health emergency at all levels of government in the United States; and

WHEREAS, response and support to affected individuals, communities, medical systems, business, and government has caused significant impact to the County as a whole; and

WHEREAS, COVID-19, has caused and will continue to cause increased service needs on County functions and additional work for staff; and

WHEREAS, COVID-19 has had significant impacts on the businesses and residents of Scott County; and

WHEREAS, the Coronavirus Aid, Relief, and Economic Security (CARES) Act, passed on March 27, 2020, provides over \$2 trillion in federal economic relief to protect the American people from the public health and economic impacts of COVID-19; and

WHEREAS, Governor Tim Walz on June 26, 2020 formally allocated funding for counties, cities, and townships in the State of Minnesota, to provide support and economic relief on a local level, with Scott County receiving \$17,719,998 from the CARES Act; and

WHEREAS, at its work session on July 7, 2020 the Scott County Board discussed their priorities for dissemination of the funds and affirmed their direction during the July 21, 2020 Board meeting; and

WHEREAS, the Federal CARES Act funds are subject to State and Federal spending requirements and subject to State and Federal Audit; and

WHEREAS, the Scott County Board of Commissioners has been presented and has approved a plan for the use of the County's allocation; and

WHEREAS, the County's plan is consistent with the United States Department of the Treasury's "Coronavirus Relief Fund Guidance to State, Territorial, Local, and Tribal Governments Updated June 30, 2020" attached and hereby incorporated as Exhibit A and "Coronavirus Relief Fund Frequently Asked Questions Updated as of August 10, 2020" attached and hereby incorporated as Exhibit B.

**BOARD OF COUNTY COMMISSIONERS  
SCOTT COUNTY, MINNESOTA**

|                                  |                    |
|----------------------------------|--------------------|
| <b>Date:</b>                     | September 15, 2020 |
| <b>Resolution No.:</b>           | 2020-146           |
| <b>Motion by Commissioner:</b>   |                    |
| <b>Seconded by Commissioner:</b> |                    |

NOW THEREFORE BE IT RESOLVED, that the Scott County Board of Commissioners does hereby authorize the purchase of an additional Imagecast Central Count (ICC) scanner using the CARES Act special revenue fund established for the funds received from the MN Sec of State for the 2020 elections cycle pursuant to Public Law 116-136 and Minnesota Laws 2020, Chapter 77, Section 4, Subd. 4.

| <b>COMMISSIONERS</b> | <b>VOTE</b>   |
|----------------------|---|
| Weckman Brekke       | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Absent <input type="checkbox"/> Abstain |
| Wolf                 | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Absent <input type="checkbox"/> Abstain |
| Beard                | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Absent <input type="checkbox"/> Abstain |
| Beer                 | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Absent <input type="checkbox"/> Abstain |
| Ulrich               | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Absent <input type="checkbox"/> Abstain |

State of Minnesota)  
County of Scott    )

I, Lezlie A. Vermillion, duly appointed qualified County Administrator for the County of Scott, State of Minnesota, do hereby certify that I have compared the foregoing copy of a resolution with the original minutes of the proceedings of the Board of County Commissioners, Scott County, Minnesota, at their session held on the 1<sup>st</sup> day of September, 2020 now on file in my office, and have found the same to be a true and correct copy thereof.

Witness my hand and official seal at Shakopee, Minnesota, this 15<sup>th</sup> day of September, 2020.

\_\_\_\_\_  
County Administrator

\_\_\_\_\_  
Administrator's Designee

**Coronavirus Relief Fund**  
**Guidance for State, Territorial, Local, and Tribal Governments**  
**Updated June 30, 2020<sup>1</sup>**

The purpose of this document is to provide guidance to recipients of the funding available under section 601(a) of the Social Security Act, as added by section 5001 of the Coronavirus Aid, Relief, and Economic Security Act (“CARES Act”). The CARES Act established the Coronavirus Relief Fund (the “Fund”) and appropriated \$150 billion to the Fund. Under the CARES Act, the Fund is to be used to make payments for specified uses to States and certain local governments; the District of Columbia and U.S. Territories (consisting of the Commonwealth of Puerto Rico, the United States Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands); and Tribal governments.

The CARES Act provides that payments from the Fund may only be used to cover costs that—

1. are necessary expenditures incurred due to the public health emergency with respect to the Coronavirus Disease 2019 (COVID-19);
2. were not accounted for in the budget most recently approved as of March 27, 2020 (the date of enactment of the CARES Act) for the State or government; and
3. were incurred during the period that begins on March 1, 2020, and ends on December 30, 2020.<sup>2</sup>

The guidance that follows sets forth the Department of the Treasury’s interpretation of these limitations on the permissible use of Fund payments.

***Necessary expenditures incurred due to the public health emergency***

The requirement that expenditures be incurred “due to” the public health emergency means that expenditures must be used for actions taken to respond to the public health emergency. These may include expenditures incurred to allow the State, territorial, local, or Tribal government to respond directly to the emergency, such as by addressing medical or public health needs, as well as expenditures incurred to respond to second-order effects of the emergency, such as by providing economic support to those suffering from employment or business interruptions due to COVID-19-related business closures.

Funds may not be used to fill shortfalls in government revenue to cover expenditures that would not otherwise qualify under the statute. Although a broad range of uses is allowed, revenue replacement is not a permissible use of Fund payments.

The statute also specifies that expenditures using Fund payments must be “necessary.” The Department of the Treasury understands this term broadly to mean that the expenditure is reasonably necessary for its intended use in the reasonable judgment of the government officials responsible for spending Fund payments.

***Costs not accounted for in the budget most recently approved as of March 27, 2020***

The CARES Act also requires that payments be used only to cover costs that were not accounted for in the budget most recently approved as of March 27, 2020. A cost meets this requirement if either (a) the

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<sup>1</sup> This version updates the guidance provided under “Costs incurred during the period that begins on March 1, 2020, and ends on December 30, 2020”.

<sup>2</sup> See Section 601(d) of the Social Security Act, as added by section 5001 of the CARES Act.

cost cannot lawfully be funded using a line item, allotment, or allocation within that budget *or* (b) the cost is for a substantially different use from any expected use of funds in such a line item, allotment, or allocation.

The “most recently approved” budget refers to the enacted budget for the relevant fiscal period for the particular government, without taking into account subsequent supplemental appropriations enacted or other budgetary adjustments made by that government in response to the COVID-19 public health emergency. A cost is not considered to have been accounted for in a budget merely because it could be met using a budgetary stabilization fund, rainy day fund, or similar reserve account.

***Costs incurred during the period that begins on March 1, 2020, and ends on December 30, 2020***

Finally, the CARES Act provides that payments from the Fund may only be used to cover costs that were incurred during the period that begins on March 1, 2020, and ends on December 30, 2020 (the “covered period”). Putting this requirement together with the other provisions discussed above, section 601(d) may be summarized as providing that a State, local, or tribal government may use payments from the Fund only to cover previously unbudgeted costs of necessary expenditures incurred due to the COVID-19 public health emergency during the covered period.

Initial guidance released on April 22, 2020, provided that the cost of an expenditure is incurred when the recipient has expended funds to cover the cost. Upon further consideration and informed by an understanding of State, local, and tribal government practices, Treasury is clarifying that for a cost to be considered to have been incurred, performance or delivery must occur during the covered period but payment of funds need not be made during that time (though it is generally expected that this will take place within 90 days of a cost being incurred). For instance, in the case of a lease of equipment or other property, irrespective of when payment occurs, the cost of a lease payment shall be considered to have been incurred for the period of the lease that is within the covered period, but not otherwise. Furthermore, in all cases it must be necessary that performance or delivery take place during the covered period. Thus the cost of a good or service received during the covered period will not be considered eligible under section 601(d) if there is no need for receipt until after the covered period has expired.

Goods delivered in the covered period need not be used during the covered period in all cases. For example, the cost of a good that must be delivered in December in order to be available for use in January could be covered using payments from the Fund. Additionally, the cost of goods purchased in bulk and delivered during the covered period may be covered using payments from the Fund if a portion of the goods is ordered for use in the covered period, the bulk purchase is consistent with the recipient’s usual procurement policies and practices, and it is impractical to track and record when the items were used. A recipient may use payments from the Fund to purchase a durable good that is to be used during the current period and in subsequent periods if the acquisition in the covered period was necessary due to the public health emergency.

Given that it is not always possible to estimate with precision when a good or service will be needed, the touchstone in assessing the determination of need for a good or service during the covered period will be reasonableness at the time delivery or performance was sought, *e.g.*, the time of entry into a procurement contract specifying a time for delivery. Similarly, in recognition of the likelihood of supply chain disruptions and increased demand for certain goods and services during the COVID-19 public health emergency, if a recipient enters into a contract requiring the delivery of goods or performance of services by December 30, 2020, the failure of a vendor to complete delivery or services by December 30, 2020, will not affect the ability of the recipient to use payments from the Fund to cover the cost of such goods or services if the delay is due to circumstances beyond the recipient’s control.



This guidance applies in a like manner to costs of subrecipients. Thus, a grant or loan, for example, provided by a recipient using payments from the Fund must be used by the subrecipient only to purchase (or reimburse a purchase of) goods or services for which receipt both is needed within the covered period and occurs within the covered period. The direct recipient of payments from the Fund is ultimately responsible for compliance with this limitation on use of payments from the Fund.

#### *Nonexclusive examples of eligible expenditures*

Eligible expenditures include, but are not limited to, payment for:

1. Medical expenses such as:
  - COVID-19-related expenses of public hospitals, clinics, and similar facilities.
  - Expenses of establishing temporary public medical facilities and other measures to increase COVID-19 treatment capacity, including related construction costs.
  - Costs of providing COVID-19 testing, including serological testing.
  - Emergency medical response expenses, including emergency medical transportation, related to COVID-19.
  - Expenses for establishing and operating public telemedicine capabilities for COVID-19-related treatment.
2. Public health expenses such as:
  - Expenses for communication and enforcement by State, territorial, local, and Tribal governments of public health orders related to COVID-19.
  - Expenses for acquisition and distribution of medical and protective supplies, including sanitizing products and personal protective equipment, for medical personnel, police officers, social workers, child protection services, and child welfare officers, direct service providers for older adults and individuals with disabilities in community settings, and other public health or safety workers in connection with the COVID-19 public health emergency.
  - Expenses for disinfection of public areas and other facilities, e.g., nursing homes, in response to the COVID-19 public health emergency.
  - Expenses for technical assistance to local authorities or other entities on mitigation of COVID-19-related threats to public health and safety.
  - Expenses for public safety measures undertaken in response to COVID-19.
  - Expenses for quarantining individuals.
3. Payroll expenses for public safety, public health, health care, human services, and similar employees whose services are substantially dedicated to mitigating or responding to the COVID-19 public health emergency.
4. Expenses of actions to facilitate compliance with COVID-19-related public health measures, such as:
  - Expenses for food delivery to residents, including, for example, senior citizens and other vulnerable populations, to enable compliance with COVID-19 public health precautions.
  - Expenses to facilitate distance learning, including technological improvements, in connection with school closings to enable compliance with COVID-19 precautions.
  - Expenses to improve telework capabilities for public employees to enable compliance with COVID-19 public health precautions.

- Expenses of providing paid sick and paid family and medical leave to public employees to enable compliance with COVID-19 public health precautions.
  - COVID-19-related expenses of maintaining state prisons and county jails, including as relates to sanitation and improvement of social distancing measures, to enable compliance with COVID-19 public health precautions.
  - Expenses for care for homeless populations provided to mitigate COVID-19 effects and enable compliance with COVID-19 public health precautions.
5. Expenses associated with the provision of economic support in connection with the COVID-19 public health emergency, such as:
    - Expenditures related to the provision of grants to small businesses to reimburse the costs of business interruption caused by required closures.
    - Expenditures related to a State, territorial, local, or Tribal government payroll support program.
    - Unemployment insurance costs related to the COVID-19 public health emergency if such costs will not be reimbursed by the federal government pursuant to the CARES Act or otherwise.
  6. Any other COVID-19-related expenses reasonably necessary to the function of government that satisfy the Fund's eligibility criteria.

*Nonexclusive examples of ineligible expenditures<sup>3</sup>*

The following is a list of examples of costs that would *not* be eligible expenditures of payments from the Fund.

1. Expenses for the State share of Medicaid.<sup>4</sup>
2. Damages covered by insurance.
3. Payroll or benefits expenses for employees whose work duties are not substantially dedicated to mitigating or responding to the COVID-19 public health emergency.
4. Expenses that have been or will be reimbursed under any federal program, such as the reimbursement by the federal government pursuant to the CARES Act of contributions by States to State unemployment funds.
5. Reimbursement to donors for donated items or services.
6. Workforce bonuses other than hazard pay or overtime.
7. Severance pay.
8. Legal settlements.

<sup>3</sup> In addition, pursuant to section 5001(b) of the CARES Act, payments from the Fund may not be expended for an elective abortion or on research in which a human embryo is destroyed, discarded, or knowingly subjected to risk of injury or death. The prohibition on payment for abortions does not apply to an abortion if the pregnancy is the result of an act of rape or incest; or in the case where a woman suffers from a physical disorder, physical injury, or physical illness, including a life-endangering physical condition caused by or arising from the pregnancy itself, that would, as certified by a physician, place the woman in danger of death unless an abortion is performed. Furthermore, no government which receives payments from the Fund may discriminate against a health care entity on the basis that the entity does not provide, pay for, provide coverage of, or refer for abortions.

<sup>4</sup> See 42 C.F.R. § 433.51 and 45 C.F.R. § 75.306.

**Exhibit B**  
**Coronavirus Relief Fund**  
**Frequently Asked Questions**  
**Updated as of August 10, 2020<sup>1</sup>**

The following answers to frequently asked questions supplement Treasury’s Coronavirus Relief Fund (“Fund”) Guidance for State, Territorial, Local, and Tribal Governments, dated April 22, 2020, (“Guidance”).<sup>2</sup> Amounts paid from the Fund are subject to the restrictions outlined in the Guidance and set forth in section 601(d) of the Social Security Act, as added by section 5001 of the Coronavirus Aid, Relief, and Economic Security Act (“CARES Act”).

**A. Eligible Expenditures**

**1. *Are governments required to submit proposed expenditures to Treasury for approval?***

No. Governments are responsible for making determinations as to what expenditures are necessary due to the public health emergency with respect to COVID-19 and do not need to submit any proposed expenditures to Treasury.

**2. *The Guidance says that funding can be used to meet payroll expenses for public safety, public health, health care, human services, and similar employees whose services are substantially dedicated to mitigating or responding to the COVID-19 public health emergency. How does a government determine whether payroll expenses for a given employee satisfy the “substantially dedicated” condition?***

The Fund is designed to provide ready funding to address unforeseen financial needs and risks created by the COVID-19 public health emergency. For this reason, and as a matter of administrative convenience in light of the emergency nature of this program, a State, territorial, local, or Tribal government may presume that payroll costs for public health and public safety employees are payments for services substantially dedicated to mitigating or responding to the COVID-19 public health emergency, unless the chief executive (or equivalent) of the relevant government determines that specific circumstances indicate otherwise.

**3. *The Guidance says that a cost was not accounted for in the most recently approved budget if the cost is for a substantially different use from any expected use of funds in such a line item, allotment, or allocation. What would qualify as a “substantially different use” for purposes of the Fund eligibility?***

Costs incurred for a “substantially different use” include, but are not necessarily limited to, costs of personnel and services that were budgeted for in the most recently approved budget but which, due entirely to the COVID-19 public health emergency, have been diverted to substantially different functions. This would include, for example, the costs of redeploying corrections facility staff to enable compliance with COVID-19 public health precautions through work such as enhanced sanitation or enforcing social distancing measures; the costs of redeploying police to support management and enforcement of stay-at-home orders; or the costs of diverting educational support staff or faculty to develop online learning capabilities, such as through providing information technology support that is not part of the staff or faculty’s ordinary responsibilities.

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<sup>1</sup> On August 10, 2020, these Frequently Asked Questions were revised to add Questions 49–52. The previous revision was made on July 8.

<sup>2</sup> The Guidance is available at <https://home.treasury.gov/system/files/136/Coronavirus-Relief-Fund-Guidance-for-State-Territorial-Local-and-Tribal-Governments.pdf>.



Note that a public function does not become a “substantially different use” merely because it is provided from a different location or through a different manner. For example, although developing online instruction capabilities may be a substantially different use of funds, online instruction itself is not a substantially different use of public funds than classroom instruction.

**4. *May a State receiving a payment transfer funds to a local government?***

Yes, provided that the transfer qualifies as a necessary expenditure incurred due to the public health emergency and meets the other criteria of section 601(d) of the Social Security Act. Such funds would be subject to recoupment by the Treasury Department if they have not been used in a manner consistent with section 601(d) of the Social Security Act.

**5. *May a unit of local government receiving a Fund payment transfer funds to another unit of government?***

Yes. For example, a county may transfer funds to a city, town, or school district within the county and a county or city may transfer funds to its State, provided that the transfer qualifies as a necessary expenditure incurred due to the public health emergency and meets the other criteria of section 601(d) of the Social Security Act outlined in the Guidance. For example, a transfer from a county to a constituent city would not be permissible if the funds were intended to be used simply to fill shortfalls in government revenue to cover expenditures that would not otherwise qualify as an eligible expenditure.

**6. *Is a Fund payment recipient required to transfer funds to a smaller, constituent unit of government within its borders?***

No. For example, a county recipient is not required to transfer funds to smaller cities within the county’s borders.

**7. *Are recipients required to use other federal funds or seek reimbursement under other federal programs before using Fund payments to satisfy eligible expenses?***

No. Recipients may use Fund payments for any expenses eligible under section 601(d) of the Social Security Act outlined in the Guidance. Fund payments are not required to be used as the source of funding of last resort. However, as noted below, recipients may not use payments from the Fund to cover expenditures for which they will receive reimbursement.

**8. *Are there prohibitions on combining a transaction supported with Fund payments with other CARES Act funding or COVID-19 relief Federal funding?***

Recipients will need to consider the applicable restrictions and limitations of such other sources of funding. In addition, expenses that have been or will be reimbursed under any federal program, such as the reimbursement by the federal government pursuant to the CARES Act of contributions by States to State unemployment funds, are not eligible uses of Fund payments.



**9. *Are States permitted to use Fund payments to support state unemployment insurance funds generally?***

To the extent that the costs incurred by a state unemployment insurance fund are incurred due to the COVID-19 public health emergency, a State may use Fund payments to make payments to its respective state unemployment insurance fund, separate and apart from such State's obligation to the unemployment insurance fund as an employer. This will permit States to use Fund payments to prevent expenses related to the public health emergency from causing their state unemployment insurance funds to become insolvent.

**10. *Are recipients permitted to use Fund payments to pay for unemployment insurance costs incurred by the recipient as an employer?***

Yes, Fund payments may be used for unemployment insurance costs incurred by the recipient as an employer (for example, as a reimbursing employer) related to the COVID-19 public health emergency if such costs will not be reimbursed by the federal government pursuant to the CARES Act or otherwise.

**11. *The Guidance states that the Fund may support a "broad range of uses" including payroll expenses for several classes of employees whose services are "substantially dedicated to mitigating or responding to the COVID-19 public health emergency." What are some examples of types of covered employees?***

The Guidance provides examples of broad classes of employees whose payroll expenses would be eligible expenses under the Fund. These classes of employees include public safety, public health, health care, human services, and similar employees whose services are substantially dedicated to mitigating or responding to the COVID-19 public health emergency. Payroll and benefit costs associated with public employees who could have been furloughed or otherwise laid off but who were instead repurposed to perform previously unbudgeted functions substantially dedicated to mitigating or responding to the COVID-19 public health emergency are also covered. Other eligible expenditures include payroll and benefit costs of educational support staff or faculty responsible for developing online learning capabilities necessary to continue educational instruction in response to COVID-19-related school closures. Please see the Guidance for a discussion of what is meant by an expense that was not accounted for in the budget most recently approved as of March 27, 2020.

**12. *In some cases, first responders and critical health care workers that contract COVID-19 are eligible for workers' compensation coverage. Is the cost of this expanded workers compensation coverage eligible?***

Increased workers compensation cost to the government due to the COVID-19 public health emergency incurred during the period beginning March 1, 2020, and ending December 30, 2020, is an eligible expense.

**13. *If a recipient would have decommissioned equipment or not renewed a lease on particular office space or equipment but decides to continue to use the equipment or to renew the lease in order to respond to the public health emergency, are the costs associated with continuing to operate the equipment or the ongoing lease payments eligible expenses?***

Yes. To the extent the expenses were previously unbudgeted and are otherwise consistent with section 601(d) of the Social Security Act outlined in the Guidance, such expenses would be eligible.

**14. *May recipients provide stipends to employees for eligible expenses (for example, a stipend to employees to improve telework capabilities) rather than require employees to incur the eligible cost and submit for reimbursement?***

Expenditures paid for with payments from the Fund must be limited to those that are necessary due to the public health emergency. As such, unless the government were to determine that providing assistance in the form of a stipend is an administrative necessity, the government should provide such assistance on a reimbursement basis to ensure as much as possible that funds are used to cover only eligible expenses.

**15. *May Fund payments be used for COVID-19 public health emergency recovery planning?***

Yes. Expenses associated with conducting a recovery planning project or operating a recovery coordination office would be eligible, if the expenses otherwise meet the criteria set forth in section 601(d) of the Social Security Act outlined in the Guidance.

**16. *Are expenses associated with contact tracing eligible?***

Yes, expenses associated with contact tracing are eligible.

**17. *To what extent may a government use Fund payments to support the operations of private hospitals?***

Governments may use Fund payments to support public or private hospitals to the extent that the costs are necessary expenditures incurred due to the COVID-19 public health emergency, but the form such assistance would take may differ. In particular, financial assistance to private hospitals could take the form of a grant or a short-term loan.

**18. *May payments from the Fund be used to assist individuals with enrolling in a government benefit program for those who have been laid off due to COVID-19 and thereby lost health insurance?***

Yes. To the extent that the relevant government official determines that these expenses are necessary and they meet the other requirements set forth in section 601(d) of the Social Security Act outlined in the Guidance, these expenses are eligible.

**19. *May recipients use Fund payments to facilitate livestock depopulation incurred by producers due to supply chain disruptions?***

Yes, to the extent these efforts are deemed necessary for public health reasons or as a form of economic support as a result of the COVID-19 health emergency.

**20. *Would providing a consumer grant program to prevent eviction and assist in preventing homelessness be considered an eligible expense?***

Yes, assuming that the recipient considers the grants to be a necessary expense incurred due to the COVID-19 public health emergency and the grants meet the other requirements for the use of Fund payments under section 601(d) of the Social Security Act outlined in the Guidance. As a general matter, providing assistance to recipients to enable them to meet property tax requirements would not be an eligible use of funds, but exceptions may be made in the case of assistance designed to prevent foreclosures.



**21. *May recipients create a “payroll support program” for public employees?***

Use of payments from the Fund to cover payroll or benefits expenses of public employees are limited to those employees whose work duties are substantially dedicated to mitigating or responding to the COVID-19 public health emergency.

**22. *May recipients use Fund payments to cover employment and training programs for employees that have been furloughed due to the public health emergency?***

Yes, this would be an eligible expense if the government determined that the costs of such employment and training programs would be necessary due to the public health emergency.

**23. *May recipients use Fund payments to provide emergency financial assistance to individuals and families directly impacted by a loss of income due to the COVID-19 public health emergency?***

Yes, if a government determines such assistance to be a necessary expenditure. Such assistance could include, for example, a program to assist individuals with payment of overdue rent or mortgage payments to avoid eviction or foreclosure or unforeseen financial costs for funerals and other emergency individual needs. Such assistance should be structured in a manner to ensure as much as possible, within the realm of what is administratively feasible, that such assistance is necessary.

**24. *The Guidance provides that eligible expenditures may include expenditures related to the provision of grants to small businesses to reimburse the costs of business interruption caused by required closures. What is meant by a “small business,” and is the Guidance intended to refer only to expenditures to cover administrative expenses of such a grant program?***

Governments have discretion to determine what payments are necessary. A program that is aimed at assisting small businesses with the costs of business interruption caused by required closures should be tailored to assist those businesses in need of such assistance. The amount of a grant to a small business to reimburse the costs of business interruption caused by required closures would also be an eligible expenditure under section 601(d) of the Social Security Act, as outlined in the Guidance.

**25. *The Guidance provides that expenses associated with the provision of economic support in connection with the public health emergency, such as expenditures related to the provision of grants to small businesses to reimburse the costs of business interruption caused by required closures, would constitute eligible expenditures of Fund payments. Would such expenditures be eligible in the absence of a stay-at-home order?***

Fund payments may be used for economic support in the absence of a stay-at-home order if such expenditures are determined by the government to be necessary. This may include, for example, a grant program to benefit small businesses that close voluntarily to promote social distancing measures or that are affected by decreased customer demand as a result of the COVID-19 public health emergency.

**26. *May Fund payments be used to assist impacted property owners with the payment of their property taxes?***

Fund payments may not be used for government revenue replacement, including the provision of assistance to meet tax obligations.

**27. *May Fund payments be used to replace foregone utility fees? If not, can Fund payments be used as a direct subsidy payment to all utility account holders?***

Fund payments may not be used for government revenue replacement, including the replacement of unpaid utility fees. Fund payments may be used for subsidy payments to electricity account holders to the extent that the subsidy payments are deemed by the recipient to be necessary expenditures incurred due to the COVID-19 public health emergency and meet the other criteria of section 601(d) of the Social Security Act outlined in the Guidance. For example, if determined to be a necessary expenditure, a government could provide grants to individuals facing economic hardship to allow them to pay their utility fees and thereby continue to receive essential services.

**28. *Could Fund payments be used for capital improvement projects that broadly provide potential economic development in a community?***

In general, no. If capital improvement projects are not necessary expenditures incurred due to the COVID-19 public health emergency, then Fund payments may not be used for such projects.

However, Fund payments may be used for the expenses of, for example, establishing temporary public medical facilities and other measures to increase COVID-19 treatment capacity or improve mitigation measures, including related construction costs.

**29. *The Guidance includes workforce bonuses as an example of ineligible expenses but provides that hazard pay would be eligible if otherwise determined to be a necessary expense. Is there a specific definition of “hazard pay”?***

Hazard pay means additional pay for performing hazardous duty or work involving physical hardship, in each case that is related to COVID-19.

**30. *The Guidance provides that ineligible expenditures include “[p]ayroll or benefits expenses for employees whose work duties are not substantially dedicated to mitigating or responding to the COVID-19 public health emergency.” Is this intended to relate only to public employees?***

Yes. This particular nonexclusive example of an ineligible expenditure relates to public employees. A recipient would not be permitted to pay for payroll or benefit expenses of private employees and any financial assistance (such as grants or short-term loans) to private employers are not subject to the restriction that the private employers’ employees must be substantially dedicated to mitigating or responding to the COVID-19 public health emergency.

**31. *May counties pre-pay with CARES Act funds for expenses such as a one or two-year facility lease, such as to house staff hired in response to COVID-19?***

A government should not make prepayments on contracts using payments from the Fund to the extent that doing so would not be consistent with its ordinary course policies and procedures.

**32. *Must a stay-at-home order or other public health mandate be in effect in order for a government to provide assistance to small businesses using payments from the Fund?***

No. The Guidance provides, as an example of an eligible use of payments from the Fund, expenditures related to the provision of grants to small businesses to reimburse the costs of business interruption caused by required closures. Such assistance may be provided using amounts received from the Fund in the absence of a requirement to close businesses if the relevant government determines that such expenditures are necessary in response to the public health emergency.



**33. *Should States receiving a payment transfer funds to local governments that did not receive payments directly from Treasury?***

Yes, provided that the transferred funds are used by the local government for eligible expenditures under the statute. To facilitate prompt distribution of Title V funds, the CARES Act authorized Treasury to make direct payments to local governments with populations in excess of 500,000, in amounts equal to 45% of the local government's per capita share of the statewide allocation. This statutory structure was based on a recognition that it is more administratively feasible to rely on States, rather than the federal government, to manage the transfer of funds to smaller local governments. Consistent with the needs of all local governments for funding to address the public health emergency, States should transfer funds to local governments with populations of 500,000 or less, using as a benchmark the per capita allocation formula that governs payments to larger local governments. This approach will ensure equitable treatment among local governments of all sizes.

For example, a State received the minimum \$1.25 billion allocation and had one county with a population over 500,000 that received \$250 million directly. The State should distribute 45 percent of the \$1 billion it received, or \$450 million, to local governments within the State with a population of 500,000 or less.

**34. *May a State impose restrictions on transfers of funds to local governments?***

Yes, to the extent that the restrictions facilitate the State's compliance with the requirements set forth in section 601(d) of the Social Security Act outlined in the Guidance and other applicable requirements such as the Single Audit Act, discussed below. Other restrictions are not permissible.

**35. *If a recipient must issue tax anticipation notes (TANs) to make up for tax due date deferrals or revenue shortfalls, are the expenses associated with the issuance eligible uses of Fund payments?***

If a government determines that the issuance of TANs is necessary due to the COVID-19 public health emergency, the government may expend payments from the Fund on the interest expense payable on TANs by the borrower and unbudgeted administrative and transactional costs, such as necessary payments to advisors and underwriters, associated with the issuance of the TANs.

**36. *May recipients use Fund payments to expand rural broadband capacity to assist with distance learning and telework?***

Such expenditures would only be permissible if they are necessary for the public health emergency. The cost of projects that would not be expected to increase capacity to a significant extent until the need for distance learning and telework have passed due to this public health emergency would not be necessary due to the public health emergency and thus would not be eligible uses of Fund payments.

**37. *Are costs associated with increased solid waste capacity an eligible use of payments from the Fund?***

Yes, costs to address increase in solid waste as a result of the public health emergency, such as relates to the disposal of used personal protective equipment, would be an eligible expenditure.

**38. *May payments from the Fund be used to cover across-the-board hazard pay for employees working during a state of emergency?***

No. The Guidance says that funding may be used to meet payroll expenses for public safety, public health, health care, human services, and similar employees whose services are substantially dedicated to mitigating or responding to the COVID-19 public health emergency. Hazard pay is a form of payroll expense and is subject to this limitation, so Fund payments may only be used to cover hazard pay for such individuals.

**39. *May Fund payments be used for expenditures related to the administration of Fund payments by a State, territorial, local, or Tribal government?***

Yes, if the administrative expenses represent an increase over previously budgeted amounts and are limited to what is necessary. For example, a State may expend Fund payments on necessary administrative expenses incurred with respect to a new grant program established to disburse amounts received from the Fund.

**40. *May recipients use Fund payments to provide loans?***

Yes, if the loans otherwise qualify as eligible expenditures under section 601(d) of the Social Security Act as implemented by the Guidance. Any amounts repaid by the borrower before December 30, 2020, must be either returned to Treasury upon receipt by the unit of government providing the loan or used for another expense that qualifies as an eligible expenditure under section 601(d) of the Social Security Act. Any amounts not repaid by the borrower until after December 30, 2020, must be returned to Treasury upon receipt by the unit of government lending the funds.

**41. *May Fund payments be used for expenditures necessary to prepare for a future COVID-19 outbreak?***

Fund payments may be used only for expenditures necessary to address the current COVID-19 public health emergency. For example, a State may spend Fund payments to create a reserve of personal protective equipment or develop increased intensive care unit capacity to support regions in its jurisdiction not yet affected, but likely to be impacted by the current COVID-19 pandemic.

**42. *May funds be used to satisfy non-federal matching requirements under the Stafford Act?***

Yes, payments from the Fund may be used to meet the non-federal matching requirements for Stafford Act assistance to the extent such matching requirements entail COVID-19-related costs that otherwise satisfy the Fund's eligibility criteria and the Stafford Act. Regardless of the use of Fund payments for such purposes, FEMA funding is still dependent on FEMA's determination of eligibility under the Stafford Act.

**43. *Must a State, local, or tribal government require applications to be submitted by businesses or individuals before providing assistance using payments from the Fund?***

Governments have discretion to determine how to tailor assistance programs they establish in response to the COVID-19 public health emergency. However, such a program should be structured in such a manner as will ensure that such assistance is determined to be necessary in response to the COVID-19 public health emergency and otherwise satisfies the requirements of the CARES Act and other applicable law. For example, a per capita payment to residents of a particular jurisdiction without an assessment of individual need would not be an appropriate use of payments from the Fund.



**44. *May Fund payments be provided to non-profits for distribution to individuals in need of financial assistance, such as rent relief?***

Yes, non-profits may be used to distribute assistance. Regardless of how the assistance is structured, the financial assistance provided would have to be related to COVID-19.

**45. *May recipients use Fund payments to remarket the recipient's convention facilities and tourism industry?***

Yes, if the costs of such remarketing satisfy the requirements of the CARES Act. Expenses incurred to publicize the resumption of activities and steps taken to ensure a safe experience may be needed due to the public health emergency. Expenses related to developing a long-term plan to reposition a recipient's convention and tourism industry and infrastructure would not be incurred due to the public health emergency and therefore may not be covered using payments from the Fund.

**46. *May a State provide assistance to farmers and meat processors to expand capacity, such to cover overtime for USDA meat inspectors?***

If a State determines that expanding meat processing capacity, including by paying overtime to USDA meat inspectors, is a necessary expense incurred due to the public health emergency, such as if increased capacity is necessary to allow farmers and processors to donate meat to food banks, then such expenses are eligible expenses, provided that the expenses satisfy the other requirements set forth in section 601(d) of the Social Security Act outlined in the Guidance.

**47. *The guidance provides that funding may be used to meet payroll expenses for public safety, public health, health care, human services, and similar employees whose services are substantially dedicated to mitigating or responding to the COVID-19 public health emergency. May Fund payments be used to cover such an employee's entire payroll cost or just the portion of time spent on mitigating or responding to the COVID-19 public health emergency?***

As a matter of administrative convenience, the entire payroll cost of an employee whose time is substantially dedicated to mitigating or responding to the COVID-19 public health emergency is eligible, provided that such payroll costs are incurred by December 30, 2020. An employer may also track time spent by employees related to COVID-19 and apply Fund payments on that basis but would need to do so consistently within the relevant agency or department.

**48. *May Fund payments be used to cover increased administrative leave costs of public employees who could not telework in the event of a stay at home order or a case of COVID-19 in the workplace?***

The statute requires that payments be used only to cover costs that were not accounted for in the budget most recently approved as of March 27, 2020. As stated in the Guidance, a cost meets this requirement if either (a) the cost cannot lawfully be funded using a line item, allotment, or allocation within that budget or (b) the cost is for a substantially different use from any expected use of funds in such a line item, allotment, or allocation. If the cost of an employee was allocated to administrative leave to a greater extent than was expected, the cost of such administrative leave may be covered using payments from the Fund.

**49. *Are States permitted to use Coronavirus Relief Fund payments to satisfy non-federal matching requirements under the Stafford Act, including “lost wages assistance” authorized by the Presidential Memorandum on Authorizing the Other Needs Assistance Program for Major Disaster Declarations Related to Coronavirus Disease 2019 (August 8, 2020)?***

Yes. As previous guidance has stated, payments from the Fund may be used to meet the non-federal matching requirements for Stafford Act assistance to the extent such matching requirements entail COVID-19-related costs that otherwise satisfy the Fund’s eligibility criteria and the Stafford Act. States are fully permitted to use payments from the Fund to satisfy 100% of their cost share for lost wages assistance recently made available under the Stafford Act.

**50. *At what point would costs be considered to be incurred in the case of a grant made by a State, local, or tribal government to cover interest and principal amounts of a loan, such as might be provided as part of a small business assistance program in which the loan is made by a private institution?***

A grant made to cover interest and principal costs of a loan, including interest and principal due after the period that begins on March 1, 2020, and ends on December 30, 2020 (the “covered period”), will be considered to be incurred during the covered period if (i) the full amount of the loan is advanced to the borrower within the covered period and (ii) the proceeds of the loan are used by the borrower to cover expenses incurred during the covered period. In addition, if these conditions are met, the amount of the grant will be considered to have been used during the covered period for purposes of the requirement that expenses be incurred within the covered period. Such a grant would be analogous to a loan provided by the Fund recipient itself that incorporates similar loan forgiveness provisions. As with any other assistance provided by a Fund recipient, such a grant would need to be determined by the recipient to be necessary due to the public health emergency.

**51. *If governments use Fund payments as described in the Guidance to establish a grant program to support businesses, would those funds be considered gross income taxable to a business receiving the grant under the Internal Revenue Code (Code)?***

Please see the answer provided by the Internal Revenue Service (IRS) available at <https://www.irs.gov/newsroom/cares-act-coronavirus-relief-fund-frequently-asked-questions>.

**52. *If governments use Fund payments as described in the Guidance to establish a loan program to support businesses, would those funds be considered gross income taxable to a business receiving the loan under the Code?***

Please see the answer provided by the IRS available at <https://www.irs.gov/newsroom/cares-act-coronavirus-relief-fund-frequently-asked-questions>.

**B. Questions Related to Administration of Fund Payments**

**1. *Do governments have to return unspent funds to Treasury?***

Yes. Section 601(f)(2) of the Social Security Act, as added by section 5001(a) of the CARES Act, provides for recoupment by the Department of the Treasury of amounts received from the Fund that have not been used in a manner consistent with section 601(d) of the Social Security Act. If a government has not used funds it has received to cover costs that were incurred by December 30, 2020, as required by the statute, those funds must be returned to the Department of the Treasury.



**2. *What records must be kept by governments receiving payment?***

A government should keep records sufficient to demonstrate that the amount of Fund payments to the government has been used in accordance with section 601(d) of the Social Security Act.

**3. *May recipients deposit Fund payments into interest bearing accounts?***

Yes, provided that if recipients separately invest amounts received from the Fund, they must use the interest earned or other proceeds of these investments only to cover expenditures incurred in accordance with section 601(d) of the Social Security Act and the Guidance on eligible expenses. If a government deposits Fund payments in a government's general account, it may use those funds to meet immediate cash management needs provided that the full amount of the payment is used to cover necessary expenditures. Fund payments are not subject to the Cash Management Improvement Act of 1990, as amended.

**4. *May governments retain assets purchased with payments from the Fund?***

Yes, if the purchase of the asset was consistent with the limitations on the eligible use of funds provided by section 601(d) of the Social Security Act.

**5. *What rules apply to the proceeds of disposition or sale of assets acquired using payments from the Fund?***

If such assets are disposed of prior to December 30, 2020, the proceeds would be subject to the restrictions on the eligible use of payments from the Fund provided by section 601(d) of the Social Security Act.

**6. *Are Fund payments to State, territorial, local, and tribal governments considered grants?***

No. Fund payments made by Treasury to State, territorial, local, and Tribal governments are not considered to be grants but are "other financial assistance" under 2 C.F.R. § 200.40.

**7. *Are Fund payments considered federal financial assistance for purposes of the Single Audit Act?***

Yes, Fund payments are considered to be federal financial assistance subject to the Single Audit Act (31 U.S.C. §§ 7501-7507) and the related provisions of the Uniform Guidance, 2 C.F.R. § 200.303 regarding internal controls, §§ 200.330 through 200.332 regarding subrecipient monitoring and management, and subpart F regarding audit requirements.

**8. *Are Fund payments subject to other requirements of the Uniform Guidance?***

Fund payments are subject to the following requirements in the Uniform Guidance (2 C.F.R. Part 200): 2 C.F.R. § 200.303 regarding internal controls, 2 C.F.R. §§ 200.330 through 200.332 regarding subrecipient monitoring and management, and subpart F regarding audit requirements.

**9. *Is there a Catalog of Federal Domestic Assistance (CFDA) number assigned to the Fund?***

Yes. The CFDA number assigned to the Fund is 21.019.

**10. *If a State transfers Fund payments to its political subdivisions, would the transferred funds count toward the subrecipients' total funding received from the federal government for purposes of the Single Audit Act?***

Yes. The Fund payments to subrecipients would count toward the threshold of the Single Audit Act and 2 C.F.R. part 200, subpart F re: audit requirements. Subrecipients are subject to a single audit or program-specific audit pursuant to 2 C.F.R. § 200.501(a) when the subrecipients spend \$750,000 or more in federal awards during their fiscal year.

**11. *Are recipients permitted to use payments from the Fund to cover the expenses of an audit conducted under the Single Audit Act?***

Yes, such expenses would be eligible expenditures, subject to the limitations set forth in 2 C.F.R. § 200.425.

**12. *If a government has transferred funds to another entity, from which entity would the Treasury Department seek to recoup the funds if they have not been used in a manner consistent with section 601(d) of the Social Security Act?***

The Treasury Department would seek to recoup the funds from the government that received the payment directly from the Treasury Department. State, territorial, local, and Tribal governments receiving funds from Treasury should ensure that funds transferred to other entities, whether pursuant to a grant program or otherwise, are used in accordance with section 601(d) of the Social Security Act as implemented in the Guidance.

**AGENDA #6.6**  
**SCOTT COUNTY, MINNESOTA**  
**REQUEST FOR BOARD ACTION**  
**MEETING DATE: SEPTEMBER 15, 2020**

|                                |  |                        |   |
|--------------------------------|--|------------------------|---|
| <b>ORIGINATING DIVISION:</b>   | Planning & Res. Mgmt.  | <b>CONSENT AGENDA:</b> | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No               |
| <b>ORIGINATING DEPARTMENT:</b> | Facilities Department  |                        |   |
| <b>PRESENTERS:</b>             | Joe Wiita – 8063<br>Dustin Kruger - 8967   | <b>ATTACHMENTS:</b>    | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No               |
| <b>PROJECT:</b>                | A/V Technology & Security Systems Project – Bid Rescind  | <b>TIME REQUESTED:</b> | N/A   |
| <b>ACTION REQUESTED:</b>       | Adopt Resolution No. 2020-149; Authorizing Advanced Systems Integration to Rescind Their Bid for the Government Center East/West and the Justice Center Audio/Visual Technology and Security Systems Bid Package |                        |   |
| <b>CONTRACT/POLICY/GRANT:</b>  | <input type="checkbox"/> County Attorney Review<br><input type="checkbox"/> Risk Management Review   | <b>FISCAL:</b>         | <input type="checkbox"/> Finance Review<br><input type="checkbox"/> Budget Change |

**ORGANIZATIONAL VALUES:**

- ☒ **Customer Service:** We will deliver government services in a respectful, responsive, and solution-oriented manner
- ☐ **Communication:** We will always be clear about what we're doing and why we're doing it
- ☐ **Collaboration:** We will work with partners – communities, schools, faith groups, private business, and non-profit agencies – to see that services are not duplicated but rather are complimentary, aligned and provided by the partners who can deliver the service most effectively
- ☒ **Stewardship:** We will work proactively to make investments, guided by resident input, which will transform lives, communities, and government
- ☐ **Empowerment:** We will work with individuals and families to affirm strengths, develop skills, restore hope, and promote self-reliance
- ☐ **Resiliency:** We will foster public preparedness and respond when families and communities face health and safety emergencies
- ☐ **Innovation:** We will take informed risks to deliver services more effectively and will learn from our successes and failures

|  |  |
|--|--|
| <b>DEPARTMENT/DIVISION HEAD SIGNATURE:</b> | <b>COUNTY ADMINISTRATOR SIGNATURE:</b>   |
|  |  |
| <b>Approved:</b>                           | <b>DISTRIBUTION/FILING INSTRUCTIONS:</b> |
| <b>Denied:</b>                             |  |
| <b>Tabled:</b>                             |  |
| <b>Other:</b>                              |  |
| <b>Deputy Clerk :</b>                      |  |
| <b>Date:</b>                               |  |

**Background/Justification:**

The purpose of this agenda item is to adopt Resolution No. 2020-149; Authorizing Advanced Systems Integration to Rescind Their Bid for the Government Center East/West and the Justice Center Audio/Visual (A/V) Technology and Security Systems Bid Package.

In accordance with the County's procurement guidelines, a Request for Bids was issued for construction services. The Request for Bids outlined the scope of work required, based on the recommendations provided by Wold Architects and Engineers and followed Scott County's standard process.

On September 3, 2020, seven bids were received for the procurement and installation of all specified A/V and security systems called out in the bid package.

| Bidders Name   | Addendum Numbers | Bid Security | Base Bid       |  | Remarks  |
|--|------------------|--------------|----------------|--|--|
| Advanced Systems Integration<br>8415 220th Street W, Suite H<br>Lakeville, MN 55044<br>P: 952-392-8903 | 1                | X            | \$661,050.00   |  | <b>Low Bidder</b><br>Made bid error, requested withdrawal of bid |
| ArchKey Technologies<br>6105 Trenton Lane N<br>Plymouth, MN 55442<br>P: 763-833-6377                   | 1                | X            | \$876,305.00   |  |  |
| ECSI System Integrators<br>7900 Chicago Ave<br>Bloomington, MN 55420<br>P: 651-735-7470                | 1                | X            | \$951,200.00   |  |  |
| Electronic Design Company<br>3225 E Hennepin Avenue<br>Minneapolis, MN 554113<br>P: 651-355-2300       | 1                | X            | \$1,092,041.00 |  |  |
| One Diversified - MN<br>1410 Energy Park Drive #16<br>St. Paul, MN 55108<br>P: 651-647-4354            | 1                | X            | \$799,787.83   |  |  |
| Parallel Technologies<br>7667 Equitable Drive<br>Eden Prairie, MN 55344<br>P: 952-920-7185             | 1                | X            | \$1,166,671.00 |  |  |
| Video Services, Inc<br>211 Mohr Drive #100<br>Mankato, MN 56001<br>P: 507-625-1650                     | 1                | X            | \$797,400.00   |  | <b>Second Low Bidder</b>   |

Initially, Advanced Systems Integration appeared to have the lowest Base Bid. However, Advanced Systems Integration requests that the Board of Commissioners allow them to rescind their bid and release their bid bond due to their error in bid calculation. Advanced Systems Integration failed to include the appropriate tax in their bid. Pending approval by the Board of Commissioners, Scott County has recommended that Video Services Inc. be awarded with the Agreement for the A/V Technology and Security Systems Project. Video Services Inc., has confirmed that they can complete the work with the bid they submitted.

Fiscal Impact:  
None



**BOARD OF COUNTY COMMISSIONERS  
SCOTT COUNTY, MINNESOTA**

|                                  |                    |
|----------------------------------|--------------------|
| <b>Date:</b>                     | September 15, 2020 |
| <b>Resolution No.:</b>           | 2020-149           |
| <b>Motion by Commissioner:</b>   |                    |
| <b>Seconded by Commissioner:</b> |                    |

**RESOLUTION NO. 2020-149; AUTHORIZING ADVANCED SYSTEMS INTEGRATION TO  
RESCIND THEIR BID FOR THE GOVERNMENT CENTER EAST/WEST AND THE JUSTICE CENTER  
AUDIO/VISUAL TECHNOLOGY AND SECURITY SYSTEMS BID PACKAGE**

WHEREAS, Scott County Procurement Guidelines were followed, and in conjunction with Wold Architects and Engineers, the County developed and published a Request for Bids; and

WHEREAS, seven (7) vendors responded; and

WHEREAS, Advanced Systems Integration appeared to be the lowest and most responsible bidder;  
and

WHEREAS, Advanced Systems Integration has requested that their bid be rescinded, and bid bond be released due to their error in not including the required tax in their bid.

NOW THEREFORE BE IT RESOLVED, by the Board of Commissioners in and for the County of Scott, Minnesota, that the Chairperson of the Board is authorized to approve Advanced Systems Integration to rescind their bid for the Government Center East / West and the Justice Center A/V Technology and Security Systems Bid Package and have their bid bond be released.

BE IT FINALLY RESOLVED, that approval of this Contract is subject to approval by the County Attorney's Office as to form.

| <b>COMMISSIONERS</b> | <b>VOTE</b>   |
|----------------------|---|
| Weckman Brekke       | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Absent <input type="checkbox"/> Abstain |
| Wolf                 | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Absent <input type="checkbox"/> Abstain |
| Beard                | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Absent <input type="checkbox"/> Abstain |
| Beer                 | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Absent <input type="checkbox"/> Abstain |
| Ulrich               | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Absent <input type="checkbox"/> Abstain |

State of Minnesota)  
County of Scott    )

I, Lezlie A. Vermillion, duly appointed qualified County Administrator for the County of Scott, State of Minnesota, do hereby certify that I have compared the foregoing copy of a resolution with the original minutes of the proceedings of the Board of County Commissioners, Scott County, Minnesota, at their session held on the 15<sup>th</sup> day of September, 2020 now on file in my office, and have found the same to be a true and correct copy thereof.

Witness my hand and official seal at Shakopee, Minnesota, this 15<sup>th</sup> day of September, 2020.

\_\_\_\_\_  
\_\_\_\_\_

County Administrator

Administrator's Designee



8415 220<sup>th</sup> Street W, Suite H  
Lakeville, MN 55044

9/3/2020

To whom it may concern:

Due to a misunderstanding around the taxable nature of this bid, ASI (Advanced Systems Integration, LLC) is regretfully withdrawing our bid for this work. Please consider this as our formal notice to rescind our submitted bid and cancel any and all obligation prior to formal bid acceptance. We ask that you please release our bid bond that was provided with our bid.

Sincerely,

A handwritten signature in black ink, appearing to read 'B. Carleton'.

Brandon J Carleton  
Chief Operating Officer

**AGENDA #6.7**  
**SCOTT COUNTY, MINNESOTA**  
**REQUEST FOR BOARD ACTION**  
**MEETING DATE: SEPTEMBER 15, 2020**

|                                |   |                        |   |
|--------------------------------|---|------------------------|---|
| <b>ORIGINATING DIVISION:</b>   | Planning & Res. Mgmt.   | <b>CONSENT AGENDA:</b> | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No               |
| <b>ORIGINATING DEPARTMENT:</b> | Facilities Department   |                        |   |
| <b>PRESENTERS:</b>             | Joe Wiita – 8063<br>Dustin Kruger - 8967  | <b>ATTACHMENTS:</b>    | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No               |
| <b>PROJECT:</b>                | Government Center East/<br>West/Justice Center A/V<br>Technology & Security<br>Systems Project  | <b>TIME REQUESTED:</b> | N/A   |
| <b>ACTION REQUESTED:</b>       | Adopt Resolution No. 2020-147; Authorizing the Government Center East/West and the Justice Center Audio/Video Technology and Security Systems Bid Package Contract be Awarded to Video Services, Inc. |                        |   |
| <b>CONTRACT/POLICY/GRANT:</b>  | <input type="checkbox"/> County Attorney Review<br><input type="checkbox"/> Risk Management Review  | <b>FISCAL:</b>         | <input type="checkbox"/> Finance Review<br><input type="checkbox"/> Budget Change |

**ORGANIZATIONAL VALUES:**

- ☒ **Customer Service:** We will deliver government services in a respectful, responsive, and solution-oriented manner
- ☐ **Communication:** We will always be clear about what we're doing and why we're doing it
- ☐ **Collaboration:** We will work with partners – communities, schools, faith groups, private business, and non-profit agencies – to see that services are not duplicated but rather are complimentary, aligned and provided by the partners who can deliver the service most effectively
- ☒ **Stewardship:** We will work proactively to make investments, guided by resident input, which will transform lives, communities, and government
- ☐ **Empowerment:** We will work with individuals and families to affirm strengths, develop skills, restore hope, and promote self-reliance
- ☐ **Resiliency:** We will foster public preparedness and respond when families and communities face health and safety emergencies
- ☐ **Innovation:** We will take informed risks to deliver services more effectively and will learn from our successes and failures

|  |  |
|--|--|
| <b>DEPARTMENT/DIVISION HEAD SIGNATURE:</b> | <b>COUNTY ADMINISTRATOR SIGNATURE:</b>   |
|  |  |
| <b>Approved:</b>                           | <b>DISTRIBUTION/FILING INSTRUCTIONS:</b> |
| <b>Denied:</b>                             |  |
| <b>Tabled:</b>                             |  |
| <b>Other:</b>                              |  |
| <b>Deputy Clerk :</b>                      |  |
| <b>Date:</b>                               |  |

**Background/Justification:**


The purpose of this agenda item is to adopt Resolution No. 2020-147; Authorizing the Government Center East/West and the Justice Center Audio/Visual Technology and Security Systems Bid Package Contract be Awarded to Video Services, Inc.

This contract is for the purchase and installation of all audio/visual (A/V) and security systems noted in the drawings and specifications for the following County buildings: Justice Center, Government Center I, and Government Center II in the amount of \$797,400.

This A/V systems and security bid package is an extension of the various main building bid packages that have already gone out for bid over the past year. This scope of work required a separate bid package be issued to ensure the County obtained bids from a set of specialized/qualified contractors.

The A/V and security systems bid package captures all the audio/visual and security components being purchased and installed in the three buildings noted above. Examples of these items include: overhead projectors, wall mounted monitors, sound masking and duress buttons. This scope of work will increase the County's ability to work more efficiently as well as streamline the overall technology systems from building to building.

On September 3, 2020, seven bids were received for the procurement and installation of all specified audio/visual and security systems called out in the bid package. Video Services, Inc. submitted the lowest responsible bid. Wold Architects and Engineers has recommended Video Services, Inc. based on their bid/experience/ability to perform the scope of work as outlined in the proposal.

|                       |                  | <b>Project Name:</b> Scott County A/V Package                        |                | <b>BID TABULATION</b>   |  |
|--|------------------|--|----------------|---|--|
|  |                  | Commission No: 182018C<br>Date: September 3, 2020<br>Time: 2:00 p.m. |                | Wold Architects and Engineers<br>332 Minnesota Street, Suite W2000<br>Saint Paul, Minnesota 55101<br>651.227.7773 Fax: 651.223.5646 |  |
| Bidders Name   | Addendum Numbers | Bid Security   | Base Bid       |   | Remarks  |
| Advanced Systems Integration<br>8415 220th Street W, Suite H<br>Lakeville, MN 55044<br>P: 952-392-8903 | 1                | X  | \$661,050.00   |   | <b>Low Bidder</b><br>Made bid error, requested withdrawal of bid |
| ArchKey Technologies<br>6105 Trenton Lane N<br>Plymouth, MN 55442<br>P: 763-833-6377                   | 1                | X  | \$876,305.00   |   |  |
| ECSI System Integrators<br>7900 Chicago Ave<br>Bloomington, MN 55420<br>P: 651-735-7470                | 1                | X  | \$951,200.00   |   |  |
| Electronic Design Company<br>3225 E Hennepin Avenue<br>Minneapolis, MN 554113<br>P: 651-355-2300       | 1                | X  | \$1,092,041.00 |   |  |
| One Diversified - MN<br>1410 Energy Park Drive #16<br>St. Paul, MN 55108<br>P: 651-647-4354            | 1                | X  | \$799,787.83   |   |  |
| Parallel Technologies<br>7667 Equitable Drive<br>Eden Prairie, MN 55344<br>P: 952-920-7185             | 1                | X  | \$1,166,671.00 |   |  |
| Video Services, Inc<br>211 Mohr Drive #100<br>Mankato, MN 56001<br>P: 507-625-1650                     | 1                | X  | \$797,400.00   |   | <b>Second Low Bidder</b>   |

#### Fiscal Impact:

The budget for this renovation bid package, including general conditions, soft costs, and all contingencies across the project is \$975,000 which is included in the overall approved project budget of \$66,500,000.



**BOARD OF COUNTY COMMISSIONERS  
SCOTT COUNTY, MINNESOTA**

|                                  |                    |
|----------------------------------|--------------------|
| <b>Date:</b>                     | September 15, 2020 |
| <b>Resolution No.:</b>           | 2020-147           |
| <b>Motion by Commissioner:</b>   |                    |
| <b>Seconded by Commissioner:</b> |                    |

**RESOLUTION NO. 2020-147; AUTHORIZING THE GOVERNMENT CENTER EAST/WEST  
AND THE JUSTICE CENTER AUDIO/VISUAL TECHNOLOGY AND SECURITY SYSTEMS  
BID PACKAGE CONTRACT BE AWARDED TO VIDEO SERVICES, INC.**

WHEREAS, the Scott County Audio/Visual (A/V) Technology and Security Systems project will greatly improve the overall technology in the main campus buildings, meeting the present and future needs of staff and the public; and

WHEREAS, seven bids were received on September 3, 2020 and the bid Video Services, Inc. provided was the lowest responsible bid at \$797,400; and

WHEREAS, the complete budget for this package, including general conditions, soft costs, and all contingencies across the project is \$975,000 which is included in the overall approved project budget of \$66,500,000.

NOW THEREFORE BE IT RESOLVED that the Scott County Board of Commissioners hereby authorizes the Chairperson of the Board to authorize the Government Center East/West/Justice Center Technology and Security Systems Bid Package Contract award to Video Services, Inc.

BE IT FINALLY RESOLVED, that approval of this Contract is subject to approval by the County Attorney's Office as to form.

| <b>COMMISSIONERS</b> | <b>VOTE</b>                  |                             |                                 |                                  |
|----------------------|------------------------------|-----------------------------|---------------------------------|----------------------------------|
| Weckman Brekke       | <input type="checkbox"/> Yes | <input type="checkbox"/> No | <input type="checkbox"/> Absent | <input type="checkbox"/> Abstain |
| Wolf                 | <input type="checkbox"/> Yes | <input type="checkbox"/> No | <input type="checkbox"/> Absent | <input type="checkbox"/> Abstain |
| Beard                | <input type="checkbox"/> Yes | <input type="checkbox"/> No | <input type="checkbox"/> Absent | <input type="checkbox"/> Abstain |
| Beer                 | <input type="checkbox"/> Yes | <input type="checkbox"/> No | <input type="checkbox"/> Absent | <input type="checkbox"/> Abstain |
| Ulrich               | <input type="checkbox"/> Yes | <input type="checkbox"/> No | <input type="checkbox"/> Absent | <input type="checkbox"/> Abstain |

State of Minnesota)  
County of Scott )

I, Lezlie A. Vermillion, duly appointed qualified County Administrator for the County of Scott, State of Minnesota, do hereby certify that I have compared the foregoing copy of a resolution with the original minutes of the proceedings of the Board of County Commissioners, Scott County, Minnesota, at their session held on the 15<sup>th</sup> day of September, 2020 now on file in my office, and have found the same to be a true and correct copy thereof.

Witness my hand and official seal at Shakopee, Minnesota, this 15<sup>th</sup> day of September, 2020.

\_\_\_\_\_  
\_\_\_\_\_

County Administrator

Administrator's Designee



September 4, 2020

**Board of Commissioners**  
 Scott County  
 200 Fourth Avenue West  
 Shakopee, Minnesota 55379

Re: Scott County  
 Government Center Campus A/V and Security  
 Commission No.: 182018C

Dear Board of Commissioners:

On Thursday, September 3, 2020 at 2:00 p.m., bids were received from seven (7) contractors for the Scott County Government Center Campus A/V and Security project. A bid tabulation is attached for your review. Your construction budget for this project was \$975,000. Advanced Systems Integration from Lakeville, Minnesota submitted the low base bid in the amount of \$661,050.

Advanced Systems Integration has informed us that they discovered a tax error in their bid and have requested the Board allow them to withdraw their bid and have their bid bond returned per their attached letter. We believe it is in the best interest of the County to allow them to pull their bid from consideration for award.

The next low bidder is Video Services, Inc. from Mankato, Minnesota with a base bid amount of \$797,400. This amount is still well within the County's construction budget. There were no alternates included for this project.

We recommend allowing Advanced Systems Integration to withdraw their bid, release their bid bond and award the contract to Video Services, Inc. as follows:

|                       |                      |
|-----------------------|----------------------|
| Base Bid              | \$ 797,400.00        |
| No Alternates         |                      |
| <b>TOTAL CONTRACT</b> | <b>\$ 797,400.00</b> |

Sincerely,

Wold Architects and Engineers

Andrew Dahlquist | AIA, LEED AP  
 Associate

Enclosures

cc: Dustin Kruger, Scott County  
 Joel Dunning, Wold (letter only)  
 Jonathan Loose, Wold (letter only)  
 Derek Gallagher, Wold (letter only)  
 Contract File (letter only)

TD/Cou\_Scott/182018C/crsp/sept20

**Wold Architects and Engineers**  
 332 Minnesota Street, Suite W2000  
 Saint Paul, MN 55101  
 woldae.com | 651 227 7773

**PLANNERS  
 ARCHITECTS  
 ENGINEERS**

**AGENDA #6.8**  
**SCOTT COUNTY, MINNESOTA**  
**REQUEST FOR BOARD ACTION**  
**MEETING DATE: SEPTEMBER 15, 2020**

|                                |  |                        |   |
|--------------------------------|--|------------------------|---|
| <b>ORIGINATING DIVISION:</b>   | Transportation Services  | <b>CONSENT AGENDA:</b> | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No               |
| <b>ORIGINATING DEPARTMENT:</b> | Highway-Program Delivery   |                        |   |
| <b>PRESENTER:</b>              | Tony Winiecki-8008   | <b>ATTACHMENTS:</b>    | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No               |
| <b>PROJECT:</b>                | CP 21-36   | <b>TIME REQUESTED:</b> | NA  |
| <b>ACTION REQUESTED:</b>       | Adopt Resolution No. 2020-148; Awarding a Contract to JL Theis, Inc. for the Installation of a Traffic Signal System at County Highway 21/County Highway 91 in Credit River Township |                        |   |
| <b>CONTRACT/POLICY/GRANT:</b>  | <input checked="" type="checkbox"/> County Attorney Review<br><input type="checkbox"/> Risk Management Review  | <b>FISCAL:</b>         | <input type="checkbox"/> Finance Review<br><input type="checkbox"/> Budget Change |

**ORGANIZATIONAL VALUES:**

- ☐ **Customer Service:** We will deliver government services in a respectful, responsive, and solution-oriented manner
- ☐ **Communication:** We will always be clear about what we're doing and why we're doing it
- ☒ **Collaboration:** We will work with partners – communities, schools, faith groups, private business, and non-profit agencies – to see that services are not duplicated but rather are complimentary, aligned and provided by the partners who can deliver the service most effectively
- ☒ **Stewardship:** We will work proactively to make investments, guided by resident input, which will transform lives, communities, and government
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- ☐ **Resiliency:** We will foster public preparedness and respond when families and communities face health and safety emergencies
- ☐ **Innovation:** We will take informed risks to deliver services more effectively and will learn from our successes and failures

|  |  |
|--|--|
| <b>DEPARTMENT/DIVISION HEAD SIGNATURE:</b> | <b>COUNTY ADMINISTRATOR SIGNATURE:</b>   |
|  |  |
| <b>Approved:</b>                           | <b>DISTRIBUTION/FILING INSTRUCTIONS:</b> |
| <b>Denied:</b>                             |  |
| <b>Tabled:</b>                             |  |
| <b>Other:</b>                              |  |
| <b>Deputy Clerk :</b>                      |  |
| <b>Date:</b>                               |  |

**Background/Justification:**

The purpose of this agenda item is to adopt Resolution No. 2020-148; Awarding a Contract to JL Theis, Inc. for the Installation of a Traffic Signal System at County Highway 21/County Highway 91 in Credit River Township.

The purpose of this project is to improve safety and mobility at the County Highway (CH) 21 and CH 91 intersection

This project was recently advertised for bids and a bid opening was held on Tuesday, September 1, 2020. Four bids were received, and the results are as follows:

| Bidder                  | Bid Amount   |
|-------------------------|--------------|
| JL Theis, Inc.          | \$262,075.82 |
| Taylor Electric         | \$278,795.85 |
| Meyer Contracting, Inc. | \$289,911.26 |
| Egan Company            | \$299,658.85 |

The bid of JL Theis, Inc. was the lowest responsible bid. The engineer's estimate is \$313,836.00. The County Engineer recommends entering into a Contract with JL Theis, Inc. not to exceed \$262,075.82.

The bid amount did not include the cost of a traffic signal control cabinet or four traffic signal poles with street light luminaires. These items were pre-ordered by the County in order to have them available to the contractor when work begins. The cost to the County for these items was \$62,117 for the signal cabinet and \$56,247 for the signal poles with luminaires.

At its April 21, 2020 meeting, the Board of Commissioners approved Resolution No. 2020-075 amending the 2020-2029 Transportation Improvement Program (TIP) to allocate \$435,000 from the 2020 Spot Safety Program for the advance purchase of traffic signal components and construction of a traffic signal system at the CH 21/CH 91 intersection.

Fiscal Impact:

None



**BOARD OF COUNTY COMMISSIONERS  
SCOTT COUNTY, MINNESOTA**

|                                  |                    |
|----------------------------------|--------------------|
| <b>Date:</b>                     | September 15, 2020 |
| <b>Resolution No.:</b>           | 2020-148           |
| <b>Motion by Commissioner:</b>   |                    |
| <b>Seconded by Commissioner:</b> |                    |

**RESOLUTION NO. 2020-148; AWARDING A CONTRACT TO JL THEIS, INC. FOR THE  
INSTALLATION OF A TRAFFIC SIGNAL SYSTEM AT COUNTY HIGHWAY 21/COUNTY HIGHWAY 91  
IN CREDIT RIVER TOWNSHIP**

WHEREAS, Scott County has programmed in 2020 County Project (CP) 21-36 for the installation of a traffic signal system at the intersection of County Highway (CH) 21 and CH 91 as amended by Board resolution on April 21, 2020; and

WHEREAS, four bids were received on September 1, 2020 and the bid of JL Theis, Inc. was the lowest responsible bid at \$262,075.82; and

WHEREAS, the Board of Commissioners approved Resolution No. 2020-075 amending the 2020-2029 Transportation Improvement Program (TIP) to allocate \$435,000 from the 2020 Spot Safety Program for construction of a traffic signal system at the CH 21/CH 91 intersection.

NOW THEREFORE BE IT RESOLVED, by the Board of Commissioners in and for the County of Scott, Minnesota, that the Chairperson of the Board is authorized to enter into a Contract with JL Theis, Inc. for the installation of a traffic signal system at the intersection of CH 21 and CH 91.

BE IT FINALLY RESOLVED that approval of the Contract is subject to approval by the County's Attorney's Office as to form.

| <b>COMMISSIONERS</b> | <b>VOTE</b>                  |                             |                                 |                                  |
|----------------------|------------------------------|-----------------------------|---------------------------------|----------------------------------|
| Weckman Brekke       | <input type="checkbox"/> Yes | <input type="checkbox"/> No | <input type="checkbox"/> Absent | <input type="checkbox"/> Abstain |
| Wolf                 | <input type="checkbox"/> Yes | <input type="checkbox"/> No | <input type="checkbox"/> Absent | <input type="checkbox"/> Abstain |
| Beard                | <input type="checkbox"/> Yes | <input type="checkbox"/> No | <input type="checkbox"/> Absent | <input type="checkbox"/> Abstain |
| Beer                 | <input type="checkbox"/> Yes | <input type="checkbox"/> No | <input type="checkbox"/> Absent | <input type="checkbox"/> Abstain |
| Ulrich               | <input type="checkbox"/> Yes | <input type="checkbox"/> No | <input type="checkbox"/> Absent | <input type="checkbox"/> Abstain |

**State of Minnesota)**

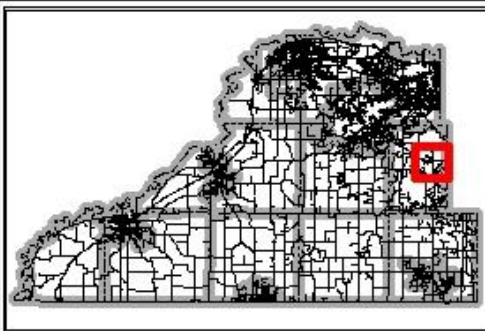
**County of Scott    )**

I, Lezlie A. Vermillion, duly appointed qualified County Administrator for the County of Scott, State of Minnesota, do hereby certify that I have compared the foregoing copy of a resolution with the original minutes of the proceedings of the Board of County Commissioners, Scott County, Minnesota, at their session held on the 15<sup>th</sup> day of September, 2020 now on file in my office, and have found the same to be a true and correct copy thereof.

Witness my hand and official seal at Shakopee, Minnesota, this 15<sup>th</sup> day of September, 2020.

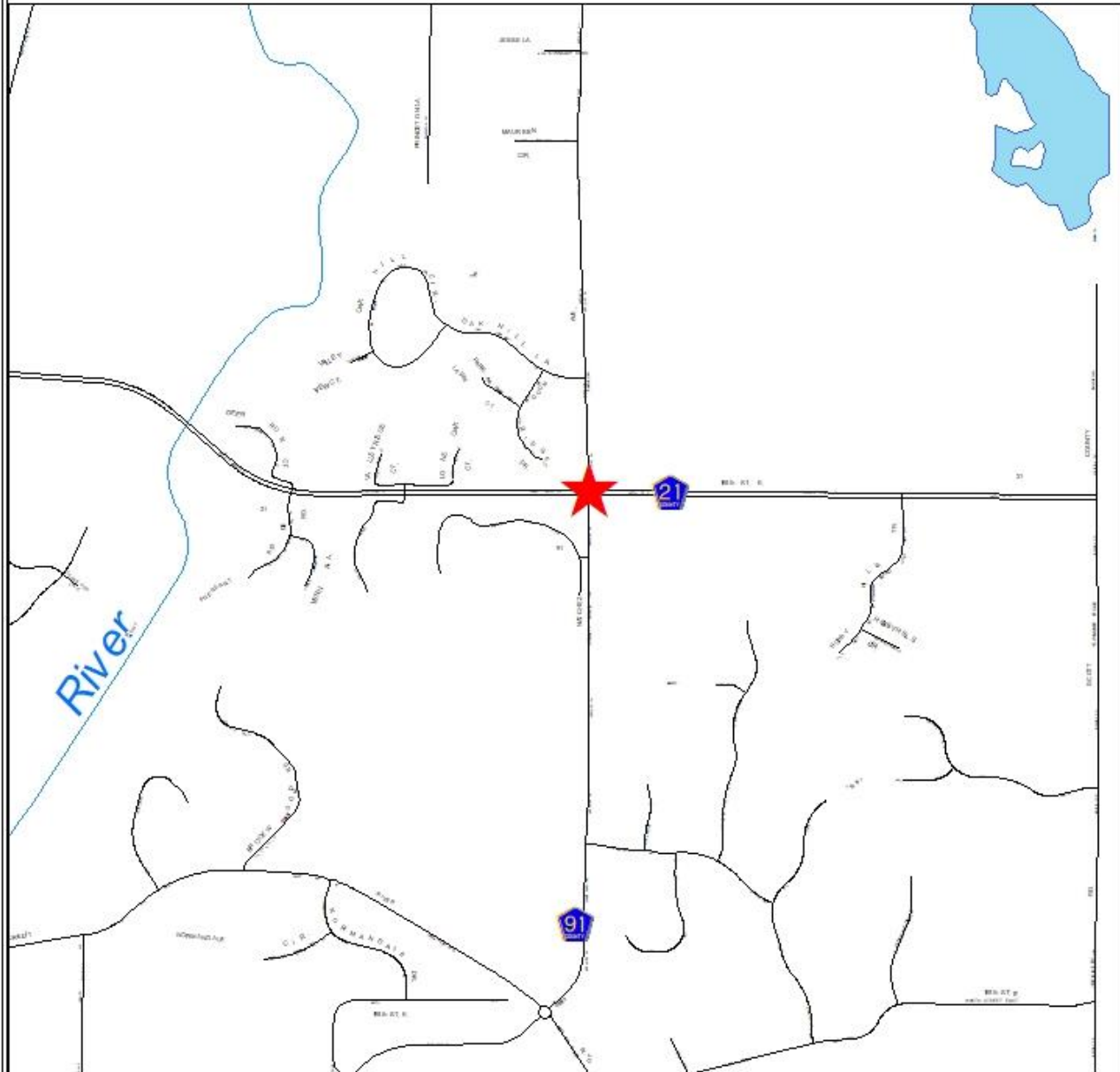
\_\_\_\_\_  
County Administrator

\_\_\_\_\_  
Administrator's Designee



# SCOTT COUNTY

2020 RBA  
Traffic Signal at CH 21 / CH 91



This drawing is neither a legally recorded map nor a survey and is not intended to be used as one. This drawing is a compilation of records, information, and data located in various city, county, and state offices, and other sources affecting the area shown, and is to be used for reference purposes only. Scott County is not responsible for any inaccuracies herein contained. If discrepancies are found, please contact the Scott County Surveyors Office.



00.075 0.15 0.3 0.45  
Miles

Date: 4/9/2020

Scale: R.F.:  
1 inch = 500 ft.

**AGENDA #6.9**  
**SCOTT COUNTY, MINNESOTA**  
**REQUEST FOR BOARD ACTION**  
**MEETING DATE: SEPTEMBER 15, 2020**

|                                |  |                        |  |
|--------------------------------|--|------------------------|--|
| <b>ORIGINATING DIVISION:</b>   | Health & Human Services  | <b>CONSENT AGENDA:</b> | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No                          |
| <b>ORIGINATING DEPARTMENT:</b> |  |                        |  |
| <b>PRESENTER:</b>              | Suzanne Arntson, Child Welfare Manager x8212   | <b>ATTACHMENTS:</b>    | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No                          |
| <b>PROJECT:</b>                |  | <b>TIME REQUESTED:</b> |  |
| <b>ACTION REQUESTED:</b>       | Adopt Resolution No. 2020-150; Authorizing Application for and Acceptance of Grant Funds From the Minnesota Department of Human Services to Implement a Community-Based Navigation Model for Families of Young Children and the Addition of a 1.0 Full-Time Equivalent Project Coordinator |                        |  |
| <b>CONTRACT/POLICY/GRANT:</b>  | <input type="checkbox"/> County Attorney Review<br><input type="checkbox"/> Risk Management Review   | <b>FISCAL:</b>         | <input checked="" type="checkbox"/> Finance Review<br><input type="checkbox"/> Budget Change |

**ORGANIZATIONAL VALUES:**

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- ☒ **Innovation:** We will take informed risks to deliver services more effectively and will learn from our successes and failures

|  |  |   |  |
|--|--|---|--|
| <b>DEPARTMENT/DIVISION HEAD SIGNATURE:</b> |  | <b>COUNTY ADMINISTRATOR SIGNATURE:</b>                                    |  |
|  |  |   |  |
| <b>Approved:</b>                           |  | <b>DISTRIBUTION/FILING INSTRUCTIONS:</b><br>Pam Selvig<br>Suzanne Arntson |  |
| <b>Denied:</b>                             |  |   |  |
| <b>Tabled:</b>                             |  |   |  |
| <b>Other:</b>                              |  |   |  |
| <b>Deputy Clerk :</b>                      |  |   |  |
| <b>Date:</b>                               |  |   |  |

**Background/Justification:**

The purpose of this agenda item is to adopt Resolution No. 2020-150; Authorizing Application for and Acceptance of Grant Funds From the Minnesota Department of Human Services to Implement a Community-Based Navigation Model for Families of Young Children and the Addition of a 1.0 Full-Time Equivalent (FTE) Project Coordinator.

If awarded, the grant funds would be in an amount not to exceed \$ 300,000 per year or a total of \$600,000 through 2022. This would include the hiring of a 1.0 FTE as a project coordinator. The grant would be a two-year grant from November 2020 through 2022.

Grant funds would be used to provide support services to pregnant and parenting families by building capacity at the local level. The primary focus is on meeting families' multiple intersecting needs (e.g. childcare, health care, housing, transportation, food security, etc.) which would be accomplished by developing universal access points for families that provide navigation of programs and systems in a culturally proficient and relationship-based manner.

The Grant requires the piloting of two statewide tools:

- Help Me Connect, a web-based tool that helps providers connect pregnant and parenting families with services available in their communities; and
- Bridge to Benefits, a web-based tool that helps providers and families assess eligibility for public programs.

This is consistent with the concept of Family Resource Centers (FRC). FRCs are community-based, flexible, family-focused, and culturally sensitive facilities that provide programs and services based on the needs of families in the community. FRCs are an evidenced-based intervention that reduce child abuse and neglect.

The plan for this Grant, if accepted, would be to pilot two to three community hub sites in Scott County. One site at a Scott County Library and a second site at the River Valley YMCA. There is support and agreement from Scott County Libraries and the River Valley YMCA. The Jordan Food shelf is also to be explored as a possible site. Each location would offer planned services and programming for families within a two-generation approach.

Programming would incorporate and expand already existing psychoeducational programs (e.g. Adverse Childhood Experiences (ACEs), domestic violence, child development, child abuse and neglect, nutrition, addiction, etc.) by providing a consistent time and place for families to hear, share and access needed information.

The space will also provide co-located services providers and system navigators to increase access for families to concrete supports (e.g. housing, childcare, economic assistance, food, clothing, etc.), physical and emotional health, legal services, and social connections needed to ensure families thrive.

#### Fiscal Impact:

No fiscal impact. The project would only be initiated upon receipt of a grant award during the designated timeframe. If grant dollars are awarded, a 1.0 FTE will be hired as a project coordinator. If funding is eliminated, the position would be eliminated.



**BOARD OF COUNTY COMMISSIONERS  
SCOTT COUNTY, MINNESOTA**

|                                  |                    |
|----------------------------------|--------------------|
| <b>Date:</b>                     | September 15, 2020 |
| <b>Resolution No.:</b>           | 2020-150           |
| <b>Motion by Commissioner:</b>   |                    |
| <b>Seconded by Commissioner:</b> |                    |

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**RESOLUTION NO. 2020-150; AUTHORIZING APPLICATION FOR AND ACCEPTANCE OF  
GRANT FUNDS FROM THE MINNESOTA DEPARTMENT OF HUMAN SERVICES TO IMPLEMENT  
A COMMUNITY-BASED NAVIGATION MODEL FOR FAMILIES OF YOUNG CHILDREN AND  
THE ADDITION OF 1.0 FULL-TIME EQUIVALENT PROJECT COORDINATOR**

WHEREAS, Scott County has a Strategic Plan that contains an objective around children with “strong families and community partners will come together supporting children in having safe, healthy and successful lives”; and

WHEREAS, one of the County Board’s strategies is to promote healthy child development and family resiliency by aligning resources and community partnerships directed at prevention and early intervention; and

WHEREAS, the Minnesota Department of Human Services is providing grants to implement a community-based navigation model for families of young children consistent with the concept of Family Resource Centers; and

WHEREAS, Family Resource Centers are community-based, flexible, family-focused, and culturally sensitive facilities that provide programs and services based on the needs of families in the community; and

WHEREAS, Scott County has a strategic initiative to end child abuse in Scott County and Family Resource Centers are an evidenced-based intervention that reduce child abuse and neglect; and

WHEREAS, to accept the grant Scott County is required to pilot two statewide tools:

- Help Me Connect, a web-based tool that helps providers connect pregnant and parenting families with services available in their communities; and
- Bridge to Benefits, a web-based tool that helps providers and families assess eligibility for public programs; and

WHEREAS, the plan for this Grant, if accepted, would be to pilot two to three community hub sites in Scott County:

- A Scott County Library
- River Valley YMCA.
- Potentially Jordan Food Shelf Location; and

WHEREAS, this Grant is consistent with the Scott County Boards vision where individuals, families and businesses thrive.

NOW THEREFORE BE IT RESOLVED, by the Board of Commissioners in and for the County of Scott, Minnesota, that the Chairperson of the Board is authorized to enter into a Grant Agreement with the Minnesota Department of Human Services in the amount not to exceed \$600,000.

**BOARD OF COUNTY COMMISSIONERS  
SCOTT COUNTY, MINNESOTA**

|                                  |                    |
|----------------------------------|--------------------|
| <b>Date:</b>                     | September 15, 2020 |
| <b>Resolution No.:</b>           | 2020-150           |
| <b>Motion by Commissioner:</b>   |                    |
| <b>Seconded by Commissioner:</b> |                    |

BE IT FURTHER RESOLVED that a full-time equivalent position will be added for two years as part of this Grant.

BE IT FINALLY RESOLVED that approval of the Grant is subject to approval by the County's Attorney's Office as to form.

| <b>COMMISSIONERS</b> | <b>VOTE</b>   |
|----------------------|---|
| Weckman Brekke       | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Absent <input type="checkbox"/> Abstain |
| Wolf                 | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Absent <input type="checkbox"/> Abstain |
| Beard                | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Absent <input type="checkbox"/> Abstain |
| Beer                 | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Absent <input type="checkbox"/> Abstain |
| Ulrich               | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Absent <input type="checkbox"/> Abstain |

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**State of Minnesota)**

**County of Scott    )**

I, Lezlie A. Vermillion, duly appointed qualified County Administrator for the County of Scott, State of Minnesota, do hereby certify that I have compared the foregoing copy of a resolution with the original minutes of the proceedings of the Board of County Commissioners, Scott County, Minnesota, at their session held on the 15<sup>th</sup> day of September, 2020 now on file in my office, and have found the same to be a true and correct copy thereof.

Witness my hand and official seal at Shakopee, Minnesota, this 15<sup>th</sup> day of September, 2020.

\_\_\_\_\_  
County Administrator  
\_\_\_\_\_  
Administrator's Designee

**AGENDA #6.10**  
**SCOTT COUNTY, MINNESOTA**  
**REQUEST FOR BOARD ACTION**  
**MEETING DATE: SEPTEMBER 15, 2020**

|                                |   |                        |   |
|--------------------------------|---|------------------------|---|
| <b>ORIGINATING DIVISION:</b>   | Office of Management & Budget   | <b>CONSENT AGENDA:</b> | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No                                     |
| <b>ORIGINATING DEPARTMENT:</b> | Budget & Strategic Planning   |                        |   |
| <b>PRESENTER:</b>              | Danny Lenz  | <b>ATTACHMENTS:</b>    | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No                                     |
| <b>PROJECT:</b>                |   | <b>TIME REQUESTED:</b> | N/A   |
| <b>ACTION REQUESTED:</b>       | Adopt Resolution No. 2020-151; Approving Coronavirus Aid, Relief, and Economic Security (CARES) Act Special Revenue Fund to be Authorized for Use to Cover Pandemic Response Costs Incurred in the County Operation Budget From No Earlier Than March 1, 2020 Through August 31, 2020 |                        |   |
| <b>CONTRACT/POLICY/GRANT:</b>  | <input type="checkbox"/> County Attorney Review<br><input type="checkbox"/> Risk Management Review  | <b>FISCAL:</b>         | <input checked="" type="checkbox"/> Finance Review<br><input checked="" type="checkbox"/> Budget Change |

**ORGANIZATIONAL VALUES:**

- ☒ **Customer Service:** We will deliver government services in a respectful, responsive, and solution-oriented manner
- ☐ **Communication:** We will always be clear about what we're doing and why we're doing it
- ☐ **Collaboration:** We will work with partners – communities, schools, faith groups, private business, and non-profit agencies – to see that services are not duplicated but rather are complimentary, aligned and provided by the partners who can deliver the service most effectively
- ☒ **Stewardship:** We will work proactively to make investments, guided by resident input, which will transform lives, communities, and government
- ☐ **Empowerment:** We will work with individuals and families to affirm strengths, develop skills, restore hope, and promote self-reliance
- ☐ **Resiliency:** We will foster public preparedness and respond when families and communities face health and safety emergencies
- ☒ **Innovation:** We will take informed risks to deliver services more effectively and will learn from our successes and failures

|  |  |
|--|--|
| <b>DEPARTMENT/DIVISION HEAD SIGNATURE:</b> | <b>COUNTY ADMINISTRATOR SIGNATURE:</b>   |
|  |  |
| <b>Approved:</b>                           | <b>DISTRIBUTION/FILING INSTRUCTIONS:</b> |
| <b>Denied:</b>                             |  |
| <b>Tabled:</b>                             |  |
| <b>Other:</b>                              |  |
| <b>Deputy Clerk :</b>                      |  |
| <b>Date:</b>                               |  |

**Background/Justification:**

The purpose of this agenda item is to adopt Resolution No. 2020-151; Approving Coronavirus Aid, Relief, and Economic Security (CARES) Act Special Revenue Fund to be Authorized for Use to Cover Pandemic Response Costs Incurred in the County Operation Budget From No Earlier Than March 1, 2020 Through August 31, 2020.

Since early 2020, Scott County has been impacted by an outbreak of a respiratory disease caused by a novel coronavirus that has been detected across the world, including in Minnesota.

- On March 11, the World Health Organization declared COVID-19 as a pandemic.
- On March 13, the President of the United States declared a national emergency for the COVID-19 pandemic.
- On March 13, the Governor of Minnesota declared a peacetime emergency due to the COVID-19 pandemic.
- On March 17, 2020, the Scott County Board of Commissioners declared a local state of emergency due to the COVID-19 pandemic.

On March 27, 2020, the Federal Government passed the Coronavirus Aid, Relief, and Economic Security (CARES) Act, which provides over \$2 trillion in federal economic relief to protect the American people from the public health and economic impacts of COVID-19. Part of those funds were sent to states for local allocation and disbursement.

Minnesota Governor Tim Walz, through executive authority and a legislative review committee, allocated and dispersed a portion of Minnesota's CARES Act funds as Local Government Assistance based on population targets to counties, cities, and townships throughout the state. Scott County has received \$17,719,998.

The funds may be spent by the local agencies to offset public health and economic impacts of COVID-19. In order to be eligible for the funding expenditures must pass a three-step test:

1. Expenses must be necessary expenditures incurred due to the public health emergency with respect to the Coronavirus Disease 2019 (COVID-19)
2. They must be costs that were not accounted for in the budget most recently approved as of March 27, 2020
3. Performance or delivery must occur during the covered period, but payment of funds need not be made during that time (though it is generally expected that this will take place within 90 days of a cost being incurred.) The County deadline is 12/1/2020.

To assist in understanding eligible expenses, the United States Department of the Treasury published two documents: *Coronavirus Relief Fund Guidance to State, Territorial, Local, and Tribal Governments Updated June 30, 2020* ("Guidance"); and *Coronavirus Relief Fund Frequently Asked Questions Updated as of August 10, 2020* ("Frequently Asked Questions").

All CARES Act Funds are subject to State and Federal audit for use of the funds. This means that any subrecipients of CARES Funds from the County must also meet audit requirements.

At a Board Workshop on July 7, 2020 the Scott County Board discussed its priorities for dissemination of the CARES funds. Included in those priorities was the need to cover increased operational costs directly related to the COVID-19 pandemic, as well as to provide needed items to allow for remote service delivery and teleworking of Scott County employees.

Prior to the first confirmed case of COVID-19 in Scott County, or Minnesota, Scott County staff began preparing for the impact of COVID-19 on County operations and service delivery. One of the first steps taken was to set-up an activity code in the County's financial system in order to track FEMA reimbursable costs associated with the response to the pandemic. As the emergency has continued it became apparent that the County would likely not seek FEMA reimbursement, but would reimburse its costs through the CARES Act funding provided by the State due to its broader coverage for reimbursable expenses. The costs listed below, and itemized in the resolution reflect costs that were coded to the COVID-19 activity code (zcorona) at the time of the expense. This includes time card coding as well as the direct purchase of items related to the COVID-19 pandemic.



Summary of Transfers include:

Payroll Non-Public Health and Sheriff (March-August):

|                                |                    |
|--------------------------------|--------------------|
| Operations                     | \$-1,597,910       |
| CARES Act Special Revenue Fund | <u>\$1,597,910</u> |
| Net                            | 0                  |

Direct Expense Reimbursements (March-August):

|                                |                  |
|--------------------------------|------------------|
| Budget Contingencies           | \$-202,865       |
| CARES Act Special Revenue Fund | <u>\$202,865</u> |
| Net                            | 0                |

The costs included in the above are allowable expense under the following guidance issues by the United States Department of the Treasury:

- Cover the costs of expenses that were unaccounted for in the County budget, or were used for a “substantially different use” than approved for in the budget. Examples include employees working in the Emergency Operations Center, sanitizing and cleaning beyond typical practices, and redeploying staff to different areas to allow for complains with COVID-19 public health precautions.
  - o Authorized under “Coronavirus Relief Fund Frequently Asked Questions Updated as of August 10, 2020”
    - Page 1: ***“The Guidance says that a cost was not accounted for in the most recently approved budget if the cost is for a substantially different use from any expected use of funds in such a line item, allotment, or allocation. What would qualify as a “substantially different use” for purposes of the Fund eligibility?”***  
  
Costs incurred for a “substantially different use” include, but are not necessarily limited to, costs of personnel and services that were budgeted for in the most recently approved budget but which, due entirely to the COVID-19 public health emergency, have been diverted to substantially different functions. This would include, for example, the costs of redeploying corrections facility staff to enable compliance with COVID-19 public health precautions through work such as enhanced sanitation or enforcing social distancing measures; the costs of redeploying police to support management and enforcement of stay-at-home orders; or the costs of diverting educational support staff or faculty to develop online learning capabilities, such as through providing information technology support that is not part of the staff or faculty’s ordinary responsibilities.
- Cover the costs of teleworking improvement for employees. The primary focus of these funds is to provide mobile capabilities for employees who do not currently have it, and to implement or enhance new software applications that allow for the County to meet COVID-19 public health precautions, such as scheduling software and licenses to allow for remote meetings with clients.
  - o Authorized under “Coronavirus Relief Fund Guidance to State, Territorial, Local, and Tribal Governments Updated June 30, 2020” - “Nonexclusive examples of eligible expenditures” – Number 4 “Expenses of actions to facilitate compliance with COVID-19-related public health measures, such as: Expenses to improve telework capabilities for public employees to enable compliance with COVID-19 public health precautions.”

The total fund spend from the County operating budget, which were not budgeted and/or have been expended on a substantially different purpose than in the approved budget, is \$1,800,775. The transfer of these expenses to the CARES Act Special Revenue Fund consists entirely of expenses that would not have been incurred for this purpose had it not been for the COVID-19 pandemic, and will reimburse the County for funds already expended and specifically coded to the zcorona activity code in the County’s financial system. This

transfer does not include costs incurred by Public Safety or Public Health functions in the County, which will be evaluated and transferred at a later date.

Fiscal Impact:

The County has already significantly cut expenditures in other areas due to the need to expend funds on the COVID-19 pandemic. This transfer of costs will reimburse the County for funds already expended for this purpose.

**BOARD OF COUNTY COMMISSIONERS  
SCOTT COUNTY, MINNESOTA**

|                                  |                    |
|----------------------------------|--------------------|
| <b>Date:</b>                     | September 15, 2020 |
| <b>Resolution No.:</b>           | 2020-151           |
| <b>Motion by Commissioner:</b>   |                    |
| <b>Seconded by Commissioner:</b> |                    |

**ADOPT RESOLUTION NO. 2020-151; APPROVING CORONAVIRUS AID, RELIEF, AND ECONOMIC SECURITY (CARES) ACT SPECIAL REVENUE FUND TO BE AUTHORIZED FOR USE TO COVER PANDEMIC RESPONSE COSTS INCURRED IN THE COUNTY OPERATION BUDGET FROM NO EARLIER THAN MARCH 1, 2020 THROUGH AUGUST 31, 2020**

WHEREAS, COVID-19, a global pandemic has caused a public health emergency at all levels of government in the United States; and

WHEREAS, response and support to affected individuals, communities, medical systems, businesses, and government has caused significant impact to the County as a whole; and

WHEREAS, COVID-19, has caused and will continue to cause increased service needs on County functions and additional work for staff; and

WHEREAS, COVID-19 has had significant impacts on the businesses and residents of Scott County; and

WHEREAS, the Coronavirus Aid, Relief, and Economic Security (CARES) Act, passed on March 27, 2020, provides over \$2 trillion in federal economic relief to protect the American people from the public health and economic impacts of COVID-19; and

WHEREAS, Governor Tim Walz on June 26, 2020 formally allocated funding for counties, cities, and townships in the State of Minnesota, to provide support and economic relief on a local level with Scott County receiving \$17,719,998 from the CARES Act; and

WHEREAS, on July 29, 2020 Scott County was provided an allocation of \$17,719,998 from the State of Minnesota from the Federal CARES Act; and

WHEREAS, the Federal CARES Act funds are subject to State and Federal spending requirements and subject to State and Federal Audit; and

WHEREAS, the Scott County Board of Commissioners has been presented and has approved a plan for the use of the County's allocation; and

WHEREAS, the Scott County Board of Commissioners desires the funds to be accounted for in a manner that will demonstrate full compliance with Federal requirements and guidance; and

WHEREAS, the United States Department of the Treasury's "Coronavirus Relief Fund Guidance to State, Territorial, Local, and Tribal Governments Updated June 30, 2020" (The Guidance), attached and hereby incorporated as Exhibit A, provides information on eligible costs; and

WHEREAS, the United States Department of the Treasury's "Coronavirus Relief Fund Frequently Asked Questions Updated As of August 10, 2020" (The Frequently Asked Questions), attached and hereby incorporated as Exhibit B, provides additional information on eligible costs; and

WHEREAS, The Guidance states that CARES Act funds may be used to "...cover costs that were not accounted for in the budget..." or "the costs is for a substantially different use from any expected use of funds in such a line item, allotment, or allocation." and

**BOARD OF COUNTY COMMISSIONERS  
SCOTT COUNTY, MINNESOTA**

|                                  |                    |
|----------------------------------|--------------------|
| <b>Date:</b>                     | September 15, 2020 |
| <b>Resolution No.:</b>           | 2020-151           |
| <b>Motion by Commissioner:</b>   |                    |
| <b>Seconded by Commissioner:</b> |                    |

WHEREAS, the Guidance states that CARES Act funds may be used to "...improve telework capabilities for public employees to enable compliance with COVID-19 public health precautions."; and

WHEREAS, the costs have been documented at the time of the expense and coded to the County's activity code specifically set-up to track COVID-19.

NOW, THEREFORE, BE IT RESOLVED, that the Scott County Board of Commissioners hereby approves the following expenditure of Payroll (Non-Public Health and Sheriff) funds for March-August and Transfer from Operations to Coronavirus Special fund:



**BOARD OF COUNTY COMMISSIONERS  
SCOTT COUNTY, MINNESOTA**

|                                  |                    |
|----------------------------------|--------------------|
| <b>Date:</b>                     | September 15, 2020 |
| <b>Resolution No.:</b>           | 2020-151           |
| <b>Motion by Commissioner:</b>   |                    |
| <b>Seconded by Commissioner:</b> |                    |

| Department | DeptName                        | Total                    |
|------------|---------------------------------|--------------------------|
| 100100     | Library Operations              | \$ (77,961.44)           |
| 100105     | Administration                  | \$ (113,379.61)          |
| 100120     | County Attorney                 | \$ (15,065.05)           |
| 100130     | Employee Relations              | \$ (157,223.81)          |
| 100135     | Accounting                      | \$ (20,805.49)           |
| 100140     | Budget & Strategic Planning     | \$ (182,451.46)          |
| 100204     | Environmental Services          | \$ (12,534.25)           |
| 100206     | Fleet Services                  | \$ (21,326.22)           |
| 100211     | Building Inspections            | \$ (9,020.16)            |
| 100212     | Taxation Services               | \$ (7,790.89)            |
| 100214     | Zoning Administration           | \$ (1,597.73)            |
| 100216     | Customer Service                | \$ (52,412.80)           |
| 100217     | PCS Admin & Elections           | \$ (54,542.70)           |
| 100218     | Land Records                    | \$ (42,935.09)           |
| 100223     | County Surveyor                 | \$ (5,767.40)            |
| 100226     | Facilities Management           | \$ (8,787.48)            |
| 100228     | Fac. Regional Training Facility | \$ (2,194.73)            |
| 100232     | Program Delivery                | \$ (56,741.72)           |
| 100234     | Highway Operations              | \$ (9,257.26)            |
| 100236     | Program Support                 | \$ (2,519.77)            |
| 100243     | GIS                             | \$ (58,973.77)           |
| 100246     | Enterprise Business Technology  | \$ (141,609.20)          |
| 100330     | Information Technology          | \$ (284,786.27)          |
| 100610     | Community Corrections Field     | \$ (51,620.19)           |
| 100615     | JAF                             | \$ (6,164.73)            |
| 100620     | Treatment Court                 | \$ (1,969.08)            |
| 100625     | Specialty Courts/Grants         | \$ (1,959.55)            |
| 150115     | Income Maintenance Admin        | \$ (8,313.21)            |
| 150120     | Child Support                   | \$ (8,236.80)            |
| 150140     | HHS Management                  | \$ (67,674.68)           |
| 150145     | HHS Administrative Services     | \$ (565.92)              |
| 150150     | Children Service                | \$ (34,899.43)           |
| 150155     | Licensing                       | \$ (1,276.96)            |
| 150160     | Chemical Dependency             | \$ (456.68)              |
| 150165     | Adult Mental Health             | \$ (62,144.92)           |
| 150170     | Children Mental Health          | \$ (2,785.86)            |
| 150180     | Home and Community Care         | \$ (1,527.32)            |
| 160100     | Law Library Operations          | \$ (3,449.02)            |
| 400100     | Scott WMO                       | \$ (4,943.26)            |
| 800100     | Mobility Management             | \$ (238.27)              |
|            | <b>Operations Sub Total</b>     | <b>\$ (1,597,910.18)</b> |

|               |                                  |                               |
|---------------|----------------------------------|-------------------------------|
| <b>430120</b> | <b>Coronavirus County Reimb.</b> | <b><u>\$ 1,597,910.18</u></b> |
|---------------|----------------------------------|-------------------------------|

**Net Change** **\$ 0**

**BOARD OF COUNTY COMMISSIONERS  
SCOTT COUNTY, MINNESOTA**

|                                  |                    |
|----------------------------------|--------------------|
| <b>Date:</b>                     | September 15, 2020 |
| <b>Resolution No.:</b>           | 2020-151           |
| <b>Motion by Commissioner:</b>   |                    |
| <b>Seconded by Commissioner:</b> |                    |

BE IT FURTHER RESOLVED, that the Scott County Board of Commissioners hereby approves the following expenditure of Direct Expenses for CARES funds for March-August and Transfer from Operations to Coronavirus Special fund:

| Department | DeptName                  | Total           |
|------------|---------------------------|-----------------|
| 100141     | Budget Contingencies      | \$ (202,864.98) |
| 430120     | Coronavirus County Reimb. | \$ 202,864.98   |

BE IT FURTHER RESOLVED, that these costs were specifically coded at the time of the expense to the County's COVID-19 activity code, and reflect actual costs incurred by the County for the COVID-19 Pandemic Emergency.

BE IT FINALLY RESOLVED, the purchase or expenditure of these funds will follow all County, State, and Federal procurement requirements for the use of such funds.

| COMMISSIONERS  | VOTE  |
|----------------|---|
| Weckman Brekke | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Absent <input type="checkbox"/> Abstain |
| Wolf           | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Absent <input type="checkbox"/> Abstain |
| Beard          | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Absent <input type="checkbox"/> Abstain |
| Beer           | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Absent <input type="checkbox"/> Abstain |
| Ulrich         | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Absent <input type="checkbox"/> Abstain |

State of Minnesota)  
County of Scott )

I, Lezlie A. Vermillion, duly appointed qualified County Administrator for the County of Scott, State of Minnesota, do hereby certify that I have compared the foregoing copy of a resolution with the original minutes of the proceedings of the Board of County Commissioners, Scott County, Minnesota, at their session held on the 15<sup>th</sup> day of September 2020 now on file in my office, and have found the same to be a true and correct copy thereof.

Witness my hand and official seal at Shakopee, Minnesota, this 15<sup>th</sup> day of September 2020.

\_\_\_\_\_  
\_\_\_\_\_

County Administrator

Administrator's Designee

**Coronavirus Relief Fund**  
**Guidance for State, Territorial, Local, and Tribal Governments**  
**Updated June 30, 2020<sup>1</sup>**

The purpose of this document is to provide guidance to recipients of the funding available under section 601(a) of the Social Security Act, as added by section 5001 of the Coronavirus Aid, Relief, and Economic Security Act (“CARES Act”). The CARES Act established the Coronavirus Relief Fund (the “Fund”) and appropriated \$150 billion to the Fund. Under the CARES Act, the Fund is to be used to make payments for specified uses to States and certain local governments; the District of Columbia and U.S. Territories (consisting of the Commonwealth of Puerto Rico, the United States Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands); and Tribal governments.

The CARES Act provides that payments from the Fund may only be used to cover costs that—

1. are necessary expenditures incurred due to the public health emergency with respect to the Coronavirus Disease 2019 (COVID-19);
2. were not accounted for in the budget most recently approved as of March 27, 2020 (the date of enactment of the CARES Act) for the State or government; and
3. were incurred during the period that begins on March 1, 2020, and ends on December 30, 2020.<sup>2</sup>

The guidance that follows sets forth the Department of the Treasury’s interpretation of these limitations on the permissible use of Fund payments.

***Necessary expenditures incurred due to the public health emergency***

The requirement that expenditures be incurred “due to” the public health emergency means that expenditures must be used for actions taken to respond to the public health emergency. These may include expenditures incurred to allow the State, territorial, local, or Tribal government to respond directly to the emergency, such as by addressing medical or public health needs, as well as expenditures incurred to respond to second-order effects of the emergency, such as by providing economic support to those suffering from employment or business interruptions due to COVID-19-related business closures.

Funds may not be used to fill shortfalls in government revenue to cover expenditures that would not otherwise qualify under the statute. Although a broad range of uses is allowed, revenue replacement is not a permissible use of Fund payments.

The statute also specifies that expenditures using Fund payments must be “necessary.” The Department of the Treasury understands this term broadly to mean that the expenditure is reasonably necessary for its intended use in the reasonable judgment of the government officials responsible for spending Fund payments.

***Costs not accounted for in the budget most recently approved as of March 27, 2020***

The CARES Act also requires that payments be used only to cover costs that were not accounted for in the budget most recently approved as of March 27, 2020. A cost meets this requirement if either (a) the

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<sup>1</sup> This version updates the guidance provided under “Costs incurred during the period that begins on March 1, 2020, and ends on December 30, 2020”.

<sup>2</sup> See Section 601(d) of the Social Security Act, as added by section 5001 of the CARES Act.

cost cannot lawfully be funded using a line item, allotment, or allocation within that budget *or* (b) the cost is for a substantially different use from any expected use of funds in such a line item, allotment, or allocation.

The “most recently approved” budget refers to the enacted budget for the relevant fiscal period for the particular government, without taking into account subsequent supplemental appropriations enacted or other budgetary adjustments made by that government in response to the COVID-19 public health emergency. A cost is not considered to have been accounted for in a budget merely because it could be met using a budgetary stabilization fund, rainy day fund, or similar reserve account.

***Costs incurred during the period that begins on March 1, 2020, and ends on December 30, 2020***

Finally, the CARES Act provides that payments from the Fund may only be used to cover costs that were incurred during the period that begins on March 1, 2020, and ends on December 30, 2020 (the “covered period”). Putting this requirement together with the other provisions discussed above, section 601(d) may be summarized as providing that a State, local, or tribal government may use payments from the Fund only to cover previously unbudgeted costs of necessary expenditures incurred due to the COVID-19 public health emergency during the covered period.

Initial guidance released on April 22, 2020, provided that the cost of an expenditure is incurred when the recipient has expended funds to cover the cost. Upon further consideration and informed by an understanding of State, local, and tribal government practices, Treasury is clarifying that for a cost to be considered to have been incurred, performance or delivery must occur during the covered period but payment of funds need not be made during that time (though it is generally expected that this will take place within 90 days of a cost being incurred). For instance, in the case of a lease of equipment or other property, irrespective of when payment occurs, the cost of a lease payment shall be considered to have been incurred for the period of the lease that is within the covered period, but not otherwise. Furthermore, in all cases it must be necessary that performance or delivery take place during the covered period. Thus the cost of a good or service received during the covered period will not be considered eligible under section 601(d) if there is no need for receipt until after the covered period has expired.

Goods delivered in the covered period need not be used during the covered period in all cases. For example, the cost of a good that must be delivered in December in order to be available for use in January could be covered using payments from the Fund. Additionally, the cost of goods purchased in bulk and delivered during the covered period may be covered using payments from the Fund if a portion of the goods is ordered for use in the covered period, the bulk purchase is consistent with the recipient’s usual procurement policies and practices, and it is impractical to track and record when the items were used. A recipient may use payments from the Fund to purchase a durable good that is to be used during the current period and in subsequent periods if the acquisition in the covered period was necessary due to the public health emergency.

Given that it is not always possible to estimate with precision when a good or service will be needed, the touchstone in assessing the determination of need for a good or service during the covered period will be reasonableness at the time delivery or performance was sought, *e.g.*, the time of entry into a procurement contract specifying a time for delivery. Similarly, in recognition of the likelihood of supply chain disruptions and increased demand for certain goods and services during the COVID-19 public health emergency, if a recipient enters into a contract requiring the delivery of goods or performance of services by December 30, 2020, the failure of a vendor to complete delivery or services by December 30, 2020, will not affect the ability of the recipient to use payments from the Fund to cover the cost of such goods or services if the delay is due to circumstances beyond the recipient’s control.



This guidance applies in a like manner to costs of subrecipients. Thus, a grant or loan, for example, provided by a recipient using payments from the Fund must be used by the subrecipient only to purchase (or reimburse a purchase of) goods or services for which receipt both is needed within the covered period and occurs within the covered period. The direct recipient of payments from the Fund is ultimately responsible for compliance with this limitation on use of payments from the Fund.

### *Nonexclusive examples of eligible expenditures*

Eligible expenditures include, but are not limited to, payment for:

1. Medical expenses such as:
  - COVID-19-related expenses of public hospitals, clinics, and similar facilities.
  - Expenses of establishing temporary public medical facilities and other measures to increase COVID-19 treatment capacity, including related construction costs.
  - Costs of providing COVID-19 testing, including serological testing.
  - Emergency medical response expenses, including emergency medical transportation, related to COVID-19.
  - Expenses for establishing and operating public telemedicine capabilities for COVID-19-related treatment.
2. Public health expenses such as:
  - Expenses for communication and enforcement by State, territorial, local, and Tribal governments of public health orders related to COVID-19.
  - Expenses for acquisition and distribution of medical and protective supplies, including sanitizing products and personal protective equipment, for medical personnel, police officers, social workers, child protection services, and child welfare officers, direct service providers for older adults and individuals with disabilities in community settings, and other public health or safety workers in connection with the COVID-19 public health emergency.
  - Expenses for disinfection of public areas and other facilities, *e.g.*, nursing homes, in response to the COVID-19 public health emergency.
  - Expenses for technical assistance to local authorities or other entities on mitigation of COVID-19-related threats to public health and safety.
  - Expenses for public safety measures undertaken in response to COVID-19.
  - Expenses for quarantining individuals.
3. Payroll expenses for public safety, public health, health care, human services, and similar employees whose services are substantially dedicated to mitigating or responding to the COVID-19 public health emergency.
4. Expenses of actions to facilitate compliance with COVID-19-related public health measures, such as:
  - Expenses for food delivery to residents, including, for example, senior citizens and other vulnerable populations, to enable compliance with COVID-19 public health precautions.
  - Expenses to facilitate distance learning, including technological improvements, in connection with school closings to enable compliance with COVID-19 precautions.
  - Expenses to improve telework capabilities for public employees to enable compliance with COVID-19 public health precautions.



- Expenses of providing paid sick and paid family and medical leave to public employees to enable compliance with COVID-19 public health precautions.
  - COVID-19-related expenses of maintaining state prisons and county jails, including as relates to sanitation and improvement of social distancing measures, to enable compliance with COVID-19 public health precautions.
  - Expenses for care for homeless populations provided to mitigate COVID-19 effects and enable compliance with COVID-19 public health precautions.
5. Expenses associated with the provision of economic support in connection with the COVID-19 public health emergency, such as:
    - Expenditures related to the provision of grants to small businesses to reimburse the costs of business interruption caused by required closures.
    - Expenditures related to a State, territorial, local, or Tribal government payroll support program.
    - Unemployment insurance costs related to the COVID-19 public health emergency if such costs will not be reimbursed by the federal government pursuant to the CARES Act or otherwise.
  6. Any other COVID-19-related expenses reasonably necessary to the function of government that satisfy the Fund's eligibility criteria.

*Nonexclusive examples of ineligible expenditures<sup>3</sup>*

The following is a list of examples of costs that would *not* be eligible expenditures of payments from the Fund.

1. Expenses for the State share of Medicaid.<sup>4</sup>
2. Damages covered by insurance.
3. Payroll or benefits expenses for employees whose work duties are not substantially dedicated to mitigating or responding to the COVID-19 public health emergency.
4. Expenses that have been or will be reimbursed under any federal program, such as the reimbursement by the federal government pursuant to the CARES Act of contributions by States to State unemployment funds.
5. Reimbursement to donors for donated items or services.
6. Workforce bonuses other than hazard pay or overtime.
7. Severance pay.
8. Legal settlements.

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<sup>3</sup> In addition, pursuant to section 5001(b) of the CARES Act, payments from the Fund may not be expended for an elective abortion or on research in which a human embryo is destroyed, discarded, or knowingly subjected to risk of injury or death. The prohibition on payment for abortions does not apply to an abortion if the pregnancy is the result of an act of rape or incest; or in the case where a woman suffers from a physical disorder, physical injury, or physical illness, including a life-endangering physical condition caused by or arising from the pregnancy itself, that would, as certified by a physician, place the woman in danger of death unless an abortion is performed.

Furthermore, no government which receives payments from the Fund may discriminate against a health care entity on the basis that the entity does not provide, pay for, provide coverage of, or refer for abortions.

<sup>4</sup> See 42 C.F.R. § 433.51 and 45 C.F.R. § 75.306.

## Exhibit B

### **Coronavirus Relief Fund Frequently Asked Questions Updated as of August 10, 2020<sup>1</sup>**

The following answers to frequently asked questions supplement Treasury's Coronavirus Relief Fund ("Fund") Guidance for State, Territorial, Local, and Tribal Governments, dated April 22, 2020, ("Guidance").<sup>2</sup> Amounts paid from the Fund are subject to the restrictions outlined in the Guidance and set forth in section 601(d) of the Social Security Act, as added by section 5001 of the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act").

#### **A. Eligible Expenditures**

**1. *Are governments required to submit proposed expenditures to Treasury for approval?***

No. Governments are responsible for making determinations as to what expenditures are necessary due to the public health emergency with respect to COVID-19 and do not need to submit any proposed expenditures to Treasury.

**2. *The Guidance says that funding can be used to meet payroll expenses for public safety, public health, health care, human services, and similar employees whose services are substantially dedicated to mitigating or responding to the COVID-19 public health emergency. How does a government determine whether payroll expenses for a given employee satisfy the "substantially dedicated" condition?***

The Fund is designed to provide ready funding to address unforeseen financial needs and risks created by the COVID-19 public health emergency. For this reason, and as a matter of administrative convenience in light of the emergency nature of this program, a State, territorial, local, or Tribal government may presume that payroll costs for public health and public safety employees are payments for services substantially dedicated to mitigating or responding to the COVID-19 public health emergency, unless the chief executive (or equivalent) of the relevant government determines that specific circumstances indicate otherwise.

**3. *The Guidance says that a cost was not accounted for in the most recently approved budget if the cost is for a substantially different use from any expected use of funds in such a line item, allotment, or allocation. What would qualify as a "substantially different use" for purposes of the Fund eligibility?***

Costs incurred for a "substantially different use" include, but are not necessarily limited to, costs of personnel and services that were budgeted for in the most recently approved budget but which, due entirely to the COVID-19 public health emergency, have been diverted to substantially different functions. This would include, for example, the costs of redeploying corrections facility staff to enable compliance with COVID-19 public health precautions through work such as enhanced sanitation or enforcing social distancing measures; the costs of redeploying police to support management and enforcement of stay-at-home orders; or the costs of diverting educational support staff or faculty to develop online learning capabilities, such as through providing information technology support that is not part of the staff or faculty's ordinary responsibilities.

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<sup>1</sup> On August 10, 2020, these Frequently Asked Questions were revised to add Questions 49–52. The previous revision was made on July 8.

<sup>2</sup> The Guidance is available at <https://home.treasury.gov/system/files/136/Coronavirus-Relief-Fund-Guidance-for-State-Territorial-Local-and-Tribal-Governments.pdf>.

Note that a public function does not become a “substantially different use” merely because it is provided from a different location or through a different manner. For example, although developing online instruction capabilities may be a substantially different use of funds, online instruction itself is not a substantially different use of public funds than classroom instruction.

**4. *May a State receiving a payment transfer funds to a local government?***

Yes, provided that the transfer qualifies as a necessary expenditure incurred due to the public health emergency and meets the other criteria of section 601(d) of the Social Security Act. Such funds would be subject to recoupment by the Treasury Department if they have not been used in a manner consistent with section 601(d) of the Social Security Act.

**5. *May a unit of local government receiving a Fund payment transfer funds to another unit of government?***

Yes. For example, a county may transfer funds to a city, town, or school district within the county and a county or city may transfer funds to its State, provided that the transfer qualifies as a necessary expenditure incurred due to the public health emergency and meets the other criteria of section 601(d) of the Social Security Act outlined in the Guidance. For example, a transfer from a county to a constituent city would not be permissible if the funds were intended to be used simply to fill shortfalls in government revenue to cover expenditures that would not otherwise qualify as an eligible expenditure.

**6. *Is a Fund payment recipient required to transfer funds to a smaller, constituent unit of government within its borders?***

No. For example, a county recipient is not required to transfer funds to smaller cities within the county’s borders.

**7. *Are recipients required to use other federal funds or seek reimbursement under other federal programs before using Fund payments to satisfy eligible expenses?***

No. Recipients may use Fund payments for any expenses eligible under section 601(d) of the Social Security Act outlined in the Guidance. Fund payments are not required to be used as the source of funding of last resort. However, as noted below, recipients may not use payments from the Fund to cover expenditures for which they will receive reimbursement.

**8. *Are there prohibitions on combining a transaction supported with Fund payments with other CARES Act funding or COVID-19 relief Federal funding?***

Recipients will need to consider the applicable restrictions and limitations of such other sources of funding. In addition, expenses that have been or will be reimbursed under any federal program, such as the reimbursement by the federal government pursuant to the CARES Act of contributions by States to State unemployment funds, are not eligible uses of Fund payments.



**9. *Are States permitted to use Fund payments to support state unemployment insurance funds generally?***

To the extent that the costs incurred by a state unemployment insurance fund are incurred due to the COVID-19 public health emergency, a State may use Fund payments to make payments to its respective state unemployment insurance fund, separate and apart from such State's obligation to the unemployment insurance fund as an employer. This will permit States to use Fund payments to prevent expenses related to the public health emergency from causing their state unemployment insurance funds to become insolvent.

**10. *Are recipients permitted to use Fund payments to pay for unemployment insurance costs incurred by the recipient as an employer?***

Yes, Fund payments may be used for unemployment insurance costs incurred by the recipient as an employer (for example, as a reimbursing employer) related to the COVID-19 public health emergency if such costs will not be reimbursed by the federal government pursuant to the CARES Act or otherwise.

**11. *The Guidance states that the Fund may support a "broad range of uses" including payroll expenses for several classes of employees whose services are "substantially dedicated to mitigating or responding to the COVID-19 public health emergency." What are some examples of types of covered employees?***

The Guidance provides examples of broad classes of employees whose payroll expenses would be eligible expenses under the Fund. These classes of employees include public safety, public health, health care, human services, and similar employees whose services are substantially dedicated to mitigating or responding to the COVID-19 public health emergency. Payroll and benefit costs associated with public employees who could have been furloughed or otherwise laid off but who were instead repurposed to perform previously unbudgeted functions substantially dedicated to mitigating or responding to the COVID-19 public health emergency are also covered. Other eligible expenditures include payroll and benefit costs of educational support staff or faculty responsible for developing online learning capabilities necessary to continue educational instruction in response to COVID-19-related school closures. Please see the Guidance for a discussion of what is meant by an expense that was not accounted for in the budget most recently approved as of March 27, 2020.

**12. *In some cases, first responders and critical health care workers that contract COVID-19 are eligible for workers' compensation coverage. Is the cost of this expanded workers compensation coverage eligible?***

Increased workers compensation cost to the government due to the COVID-19 public health emergency incurred during the period beginning March 1, 2020, and ending December 30, 2020, is an eligible expense.

**13. *If a recipient would have decommissioned equipment or not renewed a lease on particular office space or equipment but decides to continue to use the equipment or to renew the lease in order to respond to the public health emergency, are the costs associated with continuing to operate the equipment or the ongoing lease payments eligible expenses?***

Yes. To the extent the expenses were previously unbudgeted and are otherwise consistent with section 601(d) of the Social Security Act outlined in the Guidance, such expenses would be eligible.

**14. *May recipients provide stipends to employees for eligible expenses (for example, a stipend to employees to improve telework capabilities) rather than require employees to incur the eligible cost and submit for reimbursement?***

Expenditures paid for with payments from the Fund must be limited to those that are necessary due to the public health emergency. As such, unless the government were to determine that providing assistance in the form of a stipend is an administrative necessity, the government should provide such assistance on a reimbursement basis to ensure as much as possible that funds are used to cover only eligible expenses.

**15. *May Fund payments be used for COVID-19 public health emergency recovery planning?***

Yes. Expenses associated with conducting a recovery planning project or operating a recovery coordination office would be eligible, if the expenses otherwise meet the criteria set forth in section 601(d) of the Social Security Act outlined in the Guidance.

**16. *Are expenses associated with contact tracing eligible?***

Yes, expenses associated with contact tracing are eligible.

**17. *To what extent may a government use Fund payments to support the operations of private hospitals?***

Governments may use Fund payments to support public or private hospitals to the extent that the costs are necessary expenditures incurred due to the COVID-19 public health emergency, but the form such assistance would take may differ. In particular, financial assistance to private hospitals could take the form of a grant or a short-term loan.

**18. *May payments from the Fund be used to assist individuals with enrolling in a government benefit program for those who have been laid off due to COVID-19 and thereby lost health insurance?***

Yes. To the extent that the relevant government official determines that these expenses are necessary and they meet the other requirements set forth in section 601(d) of the Social Security Act outlined in the Guidance, these expenses are eligible.

**19. *May recipients use Fund payments to facilitate livestock depopulation incurred by producers due to supply chain disruptions?***

Yes, to the extent these efforts are deemed necessary for public health reasons or as a form of economic support as a result of the COVID-19 health emergency.

**20. *Would providing a consumer grant program to prevent eviction and assist in preventing homelessness be considered an eligible expense?***

Yes, assuming that the recipient considers the grants to be a necessary expense incurred due to the COVID-19 public health emergency and the grants meet the other requirements for the use of Fund payments under section 601(d) of the Social Security Act outlined in the Guidance. As a general matter, providing assistance to recipients to enable them to meet property tax requirements would not be an eligible use of funds, but exceptions may be made in the case of assistance designed to prevent foreclosures.



**21. *May recipients create a “payroll support program” for public employees?***

Use of payments from the Fund to cover payroll or benefits expenses of public employees are limited to those employees whose work duties are substantially dedicated to mitigating or responding to the COVID-19 public health emergency.

**22. *May recipients use Fund payments to cover employment and training programs for employees that have been furloughed due to the public health emergency?***

Yes, this would be an eligible expense if the government determined that the costs of such employment and training programs would be necessary due to the public health emergency.

**23. *May recipients use Fund payments to provide emergency financial assistance to individuals and families directly impacted by a loss of income due to the COVID-19 public health emergency?***

Yes, if a government determines such assistance to be a necessary expenditure. Such assistance could include, for example, a program to assist individuals with payment of overdue rent or mortgage payments to avoid eviction or foreclosure or unforeseen financial costs for funerals and other emergency individual needs. Such assistance should be structured in a manner to ensure as much as possible, within the realm of what is administratively feasible, that such assistance is necessary.

**24. *The Guidance provides that eligible expenditures may include expenditures related to the provision of grants to small businesses to reimburse the costs of business interruption caused by required closures. What is meant by a “small business,” and is the Guidance intended to refer only to expenditures to cover administrative expenses of such a grant program?***

Governments have discretion to determine what payments are necessary. A program that is aimed at assisting small businesses with the costs of business interruption caused by required closures should be tailored to assist those businesses in need of such assistance. The amount of a grant to a small business to reimburse the costs of business interruption caused by required closures would also be an eligible expenditure under section 601(d) of the Social Security Act, as outlined in the Guidance.

**25. *The Guidance provides that expenses associated with the provision of economic support in connection with the public health emergency, such as expenditures related to the provision of grants to small businesses to reimburse the costs of business interruption caused by required closures, would constitute eligible expenditures of Fund payments. Would such expenditures be eligible in the absence of a stay-at-home order?***

Fund payments may be used for economic support in the absence of a stay-at-home order if such expenditures are determined by the government to be necessary. This may include, for example, a grant program to benefit small businesses that close voluntarily to promote social distancing measures or that are affected by decreased customer demand as a result of the COVID-19 public health emergency.

**26. *May Fund payments be used to assist impacted property owners with the payment of their property taxes?***

Fund payments may not be used for government revenue replacement, including the provision of assistance to meet tax obligations.

**27. *May Fund payments be used to replace foregone utility fees? If not, can Fund payments be used as a direct subsidy payment to all utility account holders?***

Fund payments may not be used for government revenue replacement, including the replacement of unpaid utility fees. Fund payments may be used for subsidy payments to electricity account holders to the extent that the subsidy payments are deemed by the recipient to be necessary expenditures incurred due to the COVID-19 public health emergency and meet the other criteria of section 601(d) of the Social Security Act outlined in the Guidance. For example, if determined to be a necessary expenditure, a government could provide grants to individuals facing economic hardship to allow them to pay their utility fees and thereby continue to receive essential services.

**28. *Could Fund payments be used for capital improvement projects that broadly provide potential economic development in a community?***

In general, no. If capital improvement projects are not necessary expenditures incurred due to the COVID-19 public health emergency, then Fund payments may not be used for such projects.

However, Fund payments may be used for the expenses of, for example, establishing temporary public medical facilities and other measures to increase COVID-19 treatment capacity or improve mitigation measures, including related construction costs.

**29. *The Guidance includes workforce bonuses as an example of ineligible expenses but provides that hazard pay would be eligible if otherwise determined to be a necessary expense. Is there a specific definition of “hazard pay”?***

Hazard pay means additional pay for performing hazardous duty or work involving physical hardship, in each case that is related to COVID-19.

**30. *The Guidance provides that ineligible expenditures include “[p]ayroll or benefits expenses for employees whose work duties are not substantially dedicated to mitigating or responding to the COVID-19 public health emergency.” Is this intended to relate only to public employees?***

Yes. This particular nonexclusive example of an ineligible expenditure relates to public employees. A recipient would not be permitted to pay for payroll or benefit expenses of private employees and any financial assistance (such as grants or short-term loans) to private employers are not subject to the restriction that the private employers’ employees must be substantially dedicated to mitigating or responding to the COVID-19 public health emergency.

**31. *May counties pre-pay with CARES Act funds for expenses such as a one or two-year facility lease, such as to house staff hired in response to COVID-19?***

A government should not make prepayments on contracts using payments from the Fund to the extent that doing so would not be consistent with its ordinary course policies and procedures.

**32. *Must a stay-at-home order or other public health mandate be in effect in order for a government to provide assistance to small businesses using payments from the Fund?***

No. The Guidance provides, as an example of an eligible use of payments from the Fund, expenditures related to the provision of grants to small businesses to reimburse the costs of business interruption caused by required closures. Such assistance may be provided using amounts received from the Fund in the absence of a requirement to close businesses if the relevant government determines that such expenditures are necessary in response to the public health emergency.



**33. *Should States receiving a payment transfer funds to local governments that did not receive payments directly from Treasury?***

Yes, provided that the transferred funds are used by the local government for eligible expenditures under the statute. To facilitate prompt distribution of Title V funds, the CARES Act authorized Treasury to make direct payments to local governments with populations in excess of 500,000, in amounts equal to 45% of the local government's per capita share of the statewide allocation. This statutory structure was based on a recognition that it is more administratively feasible to rely on States, rather than the federal government, to manage the transfer of funds to smaller local governments. Consistent with the needs of all local governments for funding to address the public health emergency, States should transfer funds to local governments with populations of 500,000 or less, using as a benchmark the per capita allocation formula that governs payments to larger local governments. This approach will ensure equitable treatment among local governments of all sizes.

For example, a State received the minimum \$1.25 billion allocation and had one county with a population over 500,000 that received \$250 million directly. The State should distribute 45 percent of the \$1 billion it received, or \$450 million, to local governments within the State with a population of 500,000 or less.

**34. *May a State impose restrictions on transfers of funds to local governments?***

Yes, to the extent that the restrictions facilitate the State's compliance with the requirements set forth in section 601(d) of the Social Security Act outlined in the Guidance and other applicable requirements such as the Single Audit Act, discussed below. Other restrictions are not permissible.

**35. *If a recipient must issue tax anticipation notes (TANs) to make up for tax due date deferrals or revenue shortfalls, are the expenses associated with the issuance eligible uses of Fund payments?***

If a government determines that the issuance of TANs is necessary due to the COVID-19 public health emergency, the government may expend payments from the Fund on the interest expense payable on TANs by the borrower and unbudgeted administrative and transactional costs, such as necessary payments to advisors and underwriters, associated with the issuance of the TANs.

**36. *May recipients use Fund payments to expand rural broadband capacity to assist with distance learning and telework?***

Such expenditures would only be permissible if they are necessary for the public health emergency. The cost of projects that would not be expected to increase capacity to a significant extent until the need for distance learning and telework have passed due to this public health emergency would not be necessary due to the public health emergency and thus would not be eligible uses of Fund payments.

**37. *Are costs associated with increased solid waste capacity an eligible use of payments from the Fund?***

Yes, costs to address increase in solid waste as a result of the public health emergency, such as relates to the disposal of used personal protective equipment, would be an eligible expenditure.

**38. *May payments from the Fund be used to cover across-the-board hazard pay for employees working during a state of emergency?***

No. The Guidance says that funding may be used to meet payroll expenses for public safety, public health, health care, human services, and similar employees whose services are substantially dedicated to mitigating or responding to the COVID-19 public health emergency. Hazard pay is a form of payroll expense and is subject to this limitation, so Fund payments may only be used to cover hazard pay for such individuals.

**39. *May Fund payments be used for expenditures related to the administration of Fund payments by a State, territorial, local, or Tribal government?***

Yes, if the administrative expenses represent an increase over previously budgeted amounts and are limited to what is necessary. For example, a State may expend Fund payments on necessary administrative expenses incurred with respect to a new grant program established to disburse amounts received from the Fund.

**40. *May recipients use Fund payments to provide loans?***

Yes, if the loans otherwise qualify as eligible expenditures under section 601(d) of the Social Security Act as implemented by the Guidance. Any amounts repaid by the borrower before December 30, 2020, must be either returned to Treasury upon receipt by the unit of government providing the loan or used for another expense that qualifies as an eligible expenditure under section 601(d) of the Social Security Act. Any amounts not repaid by the borrower until after December 30, 2020, must be returned to Treasury upon receipt by the unit of government lending the funds.

**41. *May Fund payments be used for expenditures necessary to prepare for a future COVID-19 outbreak?***

Fund payments may be used only for expenditures necessary to address the current COVID-19 public health emergency. For example, a State may spend Fund payments to create a reserve of personal protective equipment or develop increased intensive care unit capacity to support regions in its jurisdiction not yet affected, but likely to be impacted by the current COVID-19 pandemic.

**42. *May funds be used to satisfy non-federal matching requirements under the Stafford Act?***

Yes, payments from the Fund may be used to meet the non-federal matching requirements for Stafford Act assistance to the extent such matching requirements entail COVID-19-related costs that otherwise satisfy the Fund's eligibility criteria and the Stafford Act. Regardless of the use of Fund payments for such purposes, FEMA funding is still dependent on FEMA's determination of eligibility under the Stafford Act.

**43. *Must a State, local, or tribal government require applications to be submitted by businesses or individuals before providing assistance using payments from the Fund?***

Governments have discretion to determine how to tailor assistance programs they establish in response to the COVID-19 public health emergency. However, such a program should be structured in such a manner as will ensure that such assistance is determined to be necessary in response to the COVID-19 public health emergency and otherwise satisfies the requirements of the CARES Act and other applicable law. For example, a per capita payment to residents of a particular jurisdiction without an assessment of individual need would not be an appropriate use of payments from the Fund.



**44. *May Fund payments be provided to non-profits for distribution to individuals in need of financial assistance, such as rent relief?***

Yes, non-profits may be used to distribute assistance. Regardless of how the assistance is structured, the financial assistance provided would have to be related to COVID-19.

**45. *May recipients use Fund payments to remarket the recipient's convention facilities and tourism industry?***

Yes, if the costs of such remarketing satisfy the requirements of the CARES Act. Expenses incurred to publicize the resumption of activities and steps taken to ensure a safe experience may be needed due to the public health emergency. Expenses related to developing a long-term plan to reposition a recipient's convention and tourism industry and infrastructure would not be incurred due to the public health emergency and therefore may not be covered using payments from the Fund.

**46. *May a State provide assistance to farmers and meat processors to expand capacity, such to cover overtime for USDA meat inspectors?***

If a State determines that expanding meat processing capacity, including by paying overtime to USDA meat inspectors, is a necessary expense incurred due to the public health emergency, such as if increased capacity is necessary to allow farmers and processors to donate meat to food banks, then such expenses are eligible expenses, provided that the expenses satisfy the other requirements set forth in section 601(d) of the Social Security Act outlined in the Guidance.

**47. *The guidance provides that funding may be used to meet payroll expenses for public safety, public health, health care, human services, and similar employees whose services are substantially dedicated to mitigating or responding to the COVID-19 public health emergency. May Fund payments be used to cover such an employee's entire payroll cost or just the portion of time spent on mitigating or responding to the COVID-19 public health emergency?***

As a matter of administrative convenience, the entire payroll cost of an employee whose time is substantially dedicated to mitigating or responding to the COVID-19 public health emergency is eligible, provided that such payroll costs are incurred by December 30, 2020. An employer may also track time spent by employees related to COVID-19 and apply Fund payments on that basis but would need to do so consistently within the relevant agency or department.

**48. *May Fund payments be used to cover increased administrative leave costs of public employees who could not telework in the event of a stay at home order or a case of COVID-19 in the workplace?***

The statute requires that payments be used only to cover costs that were not accounted for in the budget most recently approved as of March 27, 2020. As stated in the Guidance, a cost meets this requirement if either (a) the cost cannot lawfully be funded using a line item, allotment, or allocation within that budget or (b) the cost is for a substantially different use from any expected use of funds in such a line item, allotment, or allocation. If the cost of an employee was allocated to administrative leave to a greater extent than was expected, the cost of such administrative leave may be covered using payments from the Fund.

**49. *Are States permitted to use Coronavirus Relief Fund payments to satisfy non-federal matching requirements under the Stafford Act, including “lost wages assistance” authorized by the Presidential Memorandum on Authorizing the Other Needs Assistance Program for Major Disaster Declarations Related to Coronavirus Disease 2019 (August 8, 2020)?***

Yes. As previous guidance has stated, payments from the Fund may be used to meet the non-federal matching requirements for Stafford Act assistance to the extent such matching requirements entail COVID-19-related costs that otherwise satisfy the Fund’s eligibility criteria and the Stafford Act. States are fully permitted to use payments from the Fund to satisfy 100% of their cost share for lost wages assistance recently made available under the Stafford Act.

**50. *At what point would costs be considered to be incurred in the case of a grant made by a State, local, or tribal government to cover interest and principal amounts of a loan, such as might be provided as part of a small business assistance program in which the loan is made by a private institution?***

A grant made to cover interest and principal costs of a loan, including interest and principal due after the period that begins on March 1, 2020, and ends on December 30, 2020 (the “covered period”), will be considered to be incurred during the covered period if (i) the full amount of the loan is advanced to the borrower within the covered period and (ii) the proceeds of the loan are used by the borrower to cover expenses incurred during the covered period. In addition, if these conditions are met, the amount of the grant will be considered to have been used during the covered period for purposes of the requirement that expenses be incurred within the covered period. Such a grant would be analogous to a loan provided by the Fund recipient itself that incorporates similar loan forgiveness provisions. As with any other assistance provided by a Fund recipient, such a grant would need to be determined by the recipient to be necessary due to the public health emergency.

**51. *If governments use Fund payments as described in the Guidance to establish a grant program to support businesses, would those funds be considered gross income taxable to a business receiving the grant under the Internal Revenue Code (Code)?***

Please see the answer provided by the Internal Revenue Service (IRS) available at <https://www.irs.gov/newsroom/cares-act-coronavirus-relief-fund-frequently-asked-questions>.

**52. *If governments use Fund payments as described in the Guidance to establish a loan program to support businesses, would those funds be considered gross income taxable to a business receiving the loan under the Code?***

Please see the answer provided by the IRS available at <https://www.irs.gov/newsroom/cares-act-coronavirus-relief-fund-frequently-asked-questions>.

**B. Questions Related to Administration of Fund Payments**

**1. *Do governments have to return unspent funds to Treasury?***

Yes. Section 601(f)(2) of the Social Security Act, as added by section 5001(a) of the CARES Act, provides for recoupment by the Department of the Treasury of amounts received from the Fund that have not been used in a manner consistent with section 601(d) of the Social Security Act. If a government has not used funds it has received to cover costs that were incurred by December 30, 2020, as required by the statute, those funds must be returned to the Department of the Treasury.



**2. *What records must be kept by governments receiving payment?***

A government should keep records sufficient to demonstrate that the amount of Fund payments to the government has been used in accordance with section 601(d) of the Social Security Act.

**3. *May recipients deposit Fund payments into interest bearing accounts?***

Yes, provided that if recipients separately invest amounts received from the Fund, they must use the interest earned or other proceeds of these investments only to cover expenditures incurred in accordance with section 601(d) of the Social Security Act and the Guidance on eligible expenses. If a government deposits Fund payments in a government's general account, it may use those funds to meet immediate cash management needs provided that the full amount of the payment is used to cover necessary expenditures. Fund payments are not subject to the Cash Management Improvement Act of 1990, as amended.

**4. *May governments retain assets purchased with payments from the Fund?***

Yes, if the purchase of the asset was consistent with the limitations on the eligible use of funds provided by section 601(d) of the Social Security Act.

**5. *What rules apply to the proceeds of disposition or sale of assets acquired using payments from the Fund?***

If such assets are disposed of prior to December 30, 2020, the proceeds would be subject to the restrictions on the eligible use of payments from the Fund provided by section 601(d) of the Social Security Act.

**6. *Are Fund payments to State, territorial, local, and tribal governments considered grants?***

No. Fund payments made by Treasury to State, territorial, local, and Tribal governments are not considered to be grants but are "other financial assistance" under 2 C.F.R. § 200.40.

**7. *Are Fund payments considered federal financial assistance for purposes of the Single Audit Act?***

Yes, Fund payments are considered to be federal financial assistance subject to the Single Audit Act (31 U.S.C. §§ 7501-7507) and the related provisions of the Uniform Guidance, 2 C.F.R. § 200.303 regarding internal controls, §§ 200.330 through 200.332 regarding subrecipient monitoring and management, and subpart F regarding audit requirements.

**8. *Are Fund payments subject to other requirements of the Uniform Guidance?***

Fund payments are subject to the following requirements in the Uniform Guidance (2 C.F.R. Part 200): 2 C.F.R. § 200.303 regarding internal controls, 2 C.F.R. §§ 200.330 through 200.332 regarding subrecipient monitoring and management, and subpart F regarding audit requirements.

**9. *Is there a Catalog of Federal Domestic Assistance (CFDA) number assigned to the Fund?***

Yes. The CFDA number assigned to the Fund is 21.019.

**10. *If a State transfers Fund payments to its political subdivisions, would the transferred funds count toward the subrecipients' total funding received from the federal government for purposes of the Single Audit Act?***

Yes. The Fund payments to subrecipients would count toward the threshold of the Single Audit Act and 2 C.F.R. part 200, subpart F re: audit requirements. Subrecipients are subject to a single audit or program-specific audit pursuant to 2 C.F.R. § 200.501(a) when the subrecipients spend \$750,000 or more in federal awards during their fiscal year.

**11. *Are recipients permitted to use payments from the Fund to cover the expenses of an audit conducted under the Single Audit Act?***

Yes, such expenses would be eligible expenditures, subject to the limitations set forth in 2 C.F.R. § 200.425.

**12. *If a government has transferred funds to another entity, from which entity would the Treasury Department seek to recoup the funds if they have not been used in a manner consistent with section 601(d) of the Social Security Act?***

The Treasury Department would seek to recoup the funds from the government that received the payment directly from the Treasury Department. State, territorial, local, and Tribal governments receiving funds from Treasury should ensure that funds transferred to other entities, whether pursuant to a grant program or otherwise, are used in accordance with section 601(d) of the Social Security Act as implemented in the Guidance.



**AGENDA #6.11**  
**SCOTT COUNTY, MINNESOTA**  
**REQUEST FOR BOARD ACTION**  
**MEETING DATE: SEPTEMBER 15, 2020**

|                                |  |                        |   |
|--------------------------------|--|------------------------|---|
| <b>ORIGINATING DIVISION:</b>   | Transportation Services  | <b>CONSENT AGENDA:</b> | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No               |
| <b>ORIGINATING DEPARTMENT:</b> | Highway Department   |                        |   |
| <b>PRESENTER:</b>              | Lisa J. Freese—8363  | <b>ATTACHMENTS:</b>    | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No               |
| <b>PROJECT:</b>                | CP 83-24   | <b>TIME REQUESTED:</b> |   |
| <b>ACTION REQUESTED:</b>       | Approve Estimates of Just Compensation by Market Value Appraisals for Right-of-Way for the Reconstruction of County Highway 83 in the City of Shakopee |                        |   |
| <b>CONTRACT/POLICY/GRANT:</b>  | <input type="checkbox"/> County Attorney Review<br><input type="checkbox"/> Risk Management Review   | <b>FISCAL:</b>         | <input type="checkbox"/> Finance Review<br><input type="checkbox"/> Budget Change |

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| <b>DEPARTMENT/DIVISION HEAD SIGNATURE:</b> |  | <b>COUNTY ADMINISTRATOR SIGNATURE:</b>   |  |
|  |  |  |  |
| <b>Approved:</b>                           |  | <b>DISTRIBUTION/FILING INSTRUCTIONS:</b> |  |
| <b>Denied:</b>                             |  |  |  |
| <b>Tabled:</b>                             |  |  |  |
| <b>Other:</b>                              |  |  |  |
| <b>Deputy Clerk :</b>                      |  |  |  |
| <b>Date:</b>                               |  |  |  |

**Background/Justification:**

**Background/Justification:**

The purpose of this agenda item is to Approve Estimates of Just Compensation by Market Value Appraisals for Right-of-Way for the Reconstruction of County Highway 83 in the City of Shakopee.

County Project (CP) 83-24 is a modernization project on County Highway (CH) 83 to address safety issues, add intersection capacity at 12<sup>th</sup> Ave, and modernize the roadway. The project limits are from the south ramps of the Trunk Highway (TH) 169 interchange to north of Valley Industrial Boulevard. The project will reconstruct the existing county highway from an urban undivided four lane county highway to an urban divided four (4) lane county highway with center median, left and right turn lanes, curb and gutter, trails, and installation of traffic signals.

The project requires additional right-of-way by partial acquisitions on twenty-one (21) properties. Nineteen properties are private property. Two properties are public property.

By Resolution No. 2020-087 at its May 5, 2020 Board meeting, the Board approved entering into a three-party right-of-way contribution agreement with Canterbury Park Entertainment LLC and the City of Shakopee. This agreement facilitates right-of-way needs on several properties, including the County WFC, as impacted by the Canterbury Commons Public Infrastructure Projects and CP 83-24. This includes two properties in the above twenty one total properties.

Of the two public properties, one is held in fee title by the County, which is occupied by its Work Force Center (WFC). The County is donating the project's CH 83 right-of-way needs on its WFC property without impacts to its established public use. The other public property is held by the City of Shakopee's Public Utilities Commission (SPUC), which is occupied by the City's water tower. It has not yet been determined whether right-of-way needs on this property will be donated by SPUC or compensation will be required.

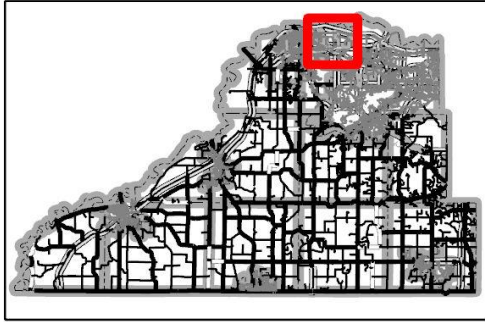
For the partial acquisitions on the remaining 17 private properties, the County contracted with Integra Realty Resources – Mpls./St. Paul (IRR), an independent appraisal firm, to complete appraisals to provide market value appraisals under applicable laws and regulations for estimates of just compensation. IRR has completed Appraisal Reports with its recommendations for estimates of just compensation. The County contracted with Foster Appraisals, Inc., an independent appraisal firm, to complete Appraisal Reviews of the Appraisal Reports. This request for approval of the estimates of just compensation completes a valuation process under applicable laws and regulations, which is required to present written offers by estimates of just compensation for the impacts on the private property.

Detailed information has been provided to the Board in a separate confidential memorandum per the requirements of Minnesota State Statutes. The Appraisal Reports and the Appraisal Review Reports are available for Board review upon request to the Highway Department.

This project is programmed for 2021 construction in the Transportation Improvement Program (TIP) 2020 – 2029 as County Project 83-24. There are adequate funds programmed in the 2020 TIP to cover the estimated compensation.

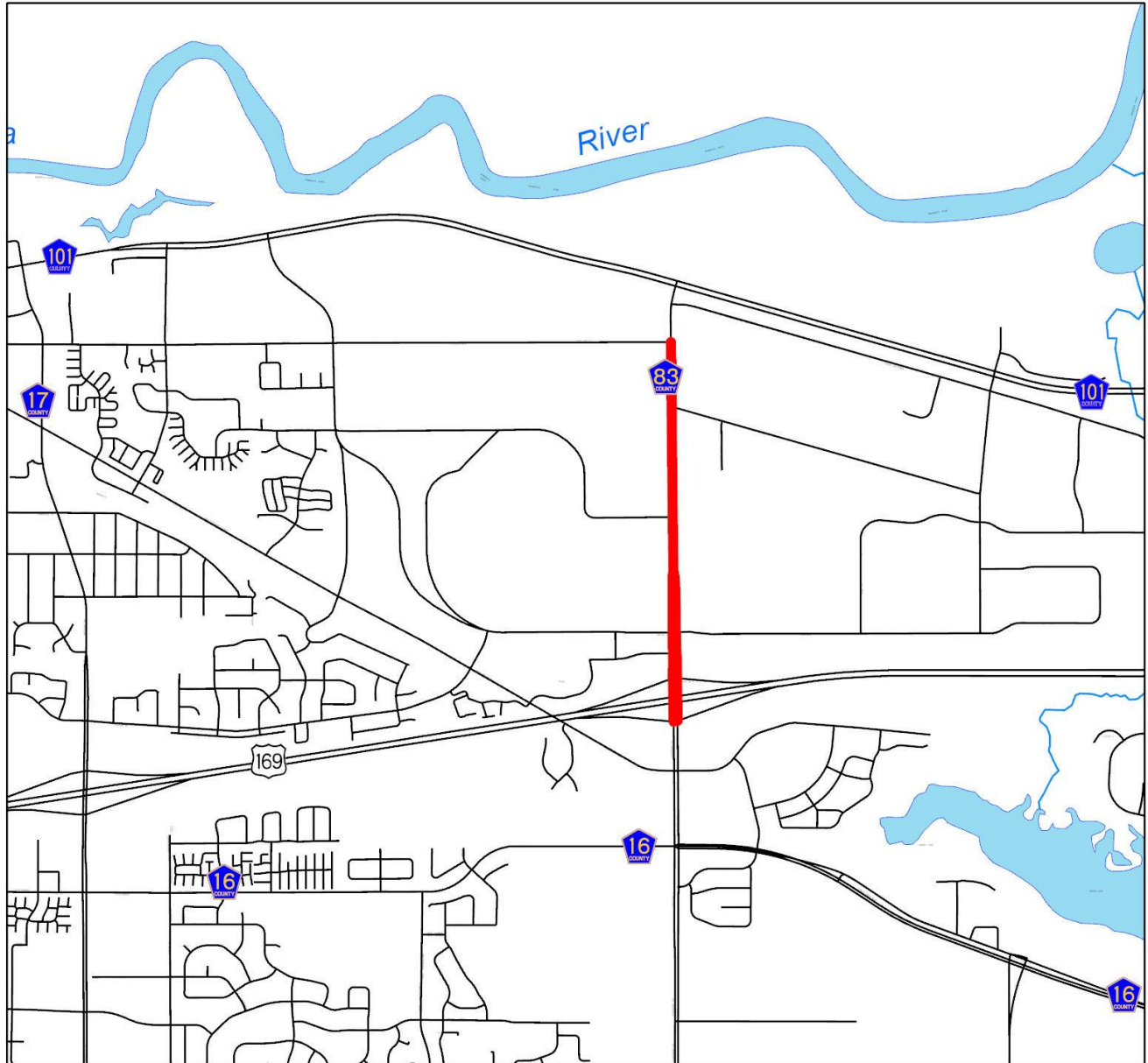
Fiscal Impact:

None



# SCOTT COUNTY

2020 RBA CP 83-24



This drawing is neither a legally recorded map nor a survey and is not intended to be used as one. This drawing is a compilation of records, information, and data located in various city, county, and state offices, and other sources affecting the area shown, and is to be used for reference purposes only. Scott County is not responsible for any inaccuracies herein contained. If discrepancies are found, please contact the Scott County Surveyors Office.

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Date: 9/2/2020

**AGENDA #6.12**  
**SCOTT COUNTY, MINNESOTA**  
**REQUEST FOR BOARD ACTION**  
**MEETING DATE: SEPTEMBER 15, 2020**

|                                |   |                        |   |
|--------------------------------|---|------------------------|---|
| <b>ORIGINATING DIVISION:</b>   | Transportation Services   | <b>CONSENT AGENDA:</b> | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No               |
| <b>ORIGINATING DEPARTMENT:</b> | Highway Department  |                        |   |
| <b>PRESENTER:</b>              | Lisa Freese-8363  | <b>ATTACHMENTS:</b>    | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No               |
| <b>PROJECT:</b>                | CP 02-11  | <b>TIME REQUESTED:</b> | N/A   |
| <b>ACTION REQUESTED:</b>       | Approve Estimate of Just Compensation by Market Value Appraisals for Right-of-Way for a Roundabout at County Highway 2 and County Highway 15 in Helena Township |                        |   |
| <b>CONTRACT/POLICY/GRANT:</b>  | <input type="checkbox"/> County Attorney Review<br><input type="checkbox"/> Risk Management Review  | <b>FISCAL:</b>         | <input type="checkbox"/> Finance Review<br><input type="checkbox"/> Budget Change |

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| <b>DEPARTMENT/DIVISION HEAD SIGNATURE:</b> | <b>COUNTY ADMINISTRATOR SIGNATURE:</b>   |
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| <b>Approved:</b>                           | <b>DISTRIBUTION/FILING INSTRUCTIONS:</b> |
| <b>Denied:</b>                             |  |
| <b>Tabled:</b>                             |  |
| <b>Other:</b>                              |  |
| <b>Deputy Clerk :</b>                      |  |
| <b>Date:</b>                               |  |

**Background/Justification:**

The purpose of this agenda item is to approve estimate of just compensation by market value appraisals for right-of-way for a roundabout at County Highway 2 and County Highway 15 in Helena Township.

The purpose of County Project (CP) 02-11 is to construct a roundabout at the intersection of County Highway (CH) 2 and CH 15 to address safety at the existing all-way stop intersection. The project has received federal Highway Safety Improvement funding for construction of this roundabout.



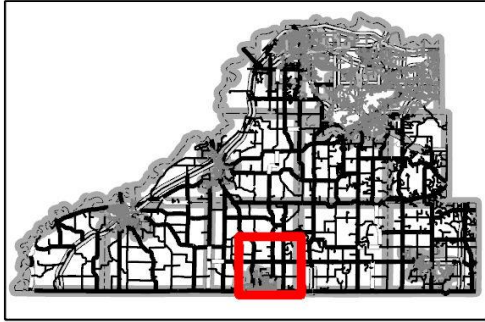
The project requires additional right-of-way by partial acquisition on five parcels. The County contracted with Patchin Messner Valuation Counselors (PMVC), an independent fee appraisal firm, to complete appraisals to determine the market value for the properties to provide an estimate of just compensation. PMVC has completed and delivered appraisal reports for these properties with a recommended estimate of just compensation. John Foster Appraisals has completed an appraisal review and certifies the appraisal reports as presenting an estimate of market value. Appraisals and appraisal reviews are required for compliance with applicable laws and regulations. The appraisal is the basis for this approval to present a written offer of just compensation.

Detail information has been provided to the Board in a separate confidential memorandum per the requirements of Minnesota State Statutes. The Appraisal Reports and the Appraisal Review Reports are available for Board review upon request to the Transportation Services Office.

This project is programmed for 2021 construction in the Transportation Improvement Program (TIP) 2020-2029 as County Project 02-11. There are adequate funds programmed in the 2020 TIP to cover the estimated compensation.

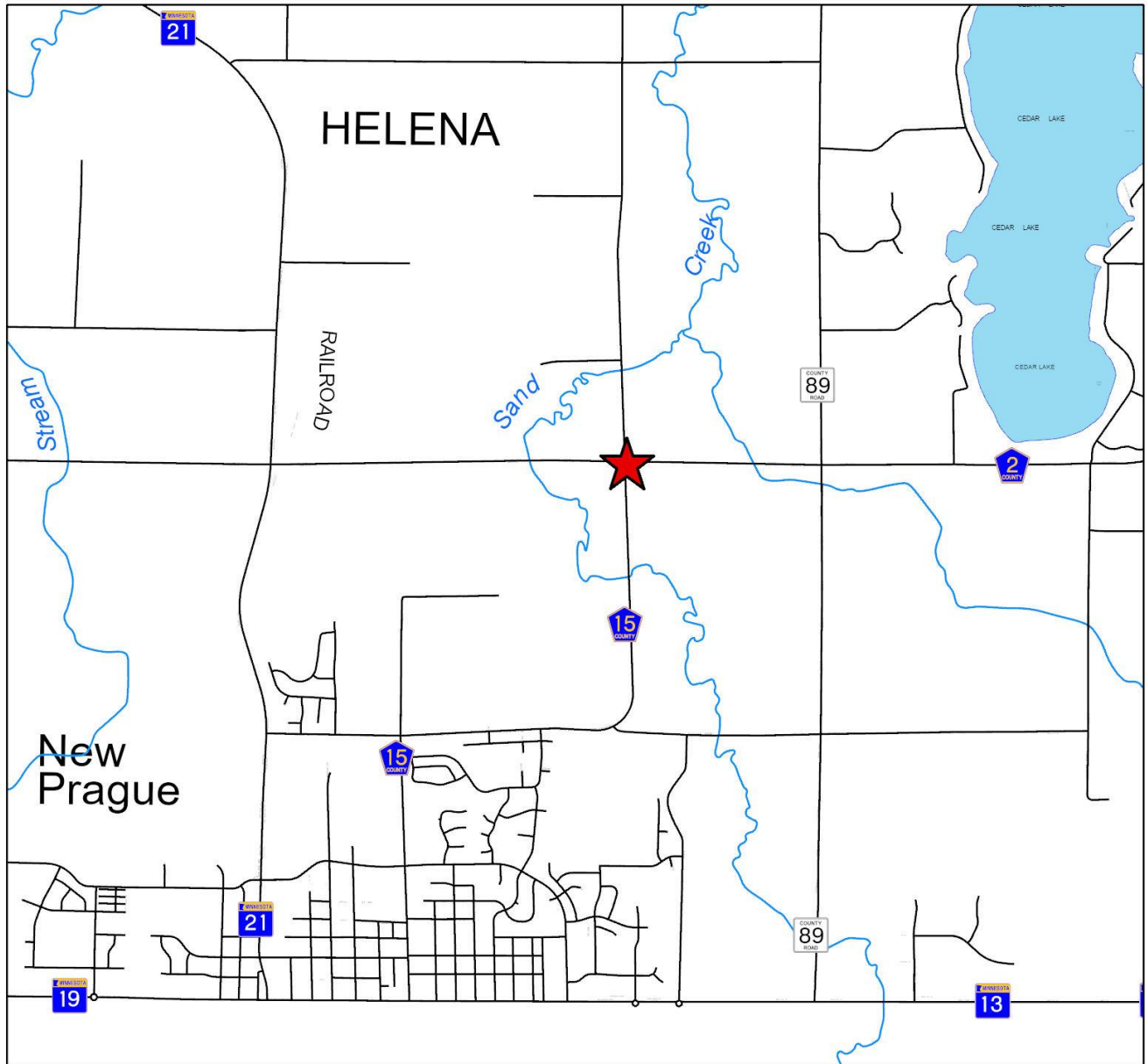
Fiscal Impact:

None



# SCOTT COUNTY

2020 RBA CP 02-11



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0 0.2 0.4 0.8 1.2 Miles



Date: 9/4/2020

**AGENDA #6.13**  
**SCOTT COUNTY, MINNESOTA**  
**REQUEST FOR BOARD ACTION**  
**MEETING DATE: SEPTEMBER 15, 2020**

|                                |   |                        |   |
|--------------------------------|---|------------------------|---|
| <b>ORIGINATING DIVISION:</b>   | Transportation Services   | <b>CONSENT AGENDA:</b> | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No               |
| <b>ORIGINATING DEPARTMENT:</b> | Highway Department  |                        |   |
| <b>PRESENTER:</b>              | Lisa Freese—8363  | <b>ATTACHMENTS:</b>    | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No               |
| <b>PROJECT:</b>                | CP 17-42  | <b>TIME REQUESTED:</b> | N/A   |
| <b>ACTION REQUESTED:</b>       | Approve Estimates of Just Compensation by Market Value Appraisals for Right-of-Way for a Pedestrian Bridge and Trail Along County Highway 17 at Trunk Highway 169 in the City of Shakopee |                        |   |
| <b>CONTRACT/POLICY/GRANT:</b>  | <input type="checkbox"/> County Attorney Review<br><input type="checkbox"/> Risk Management Review  | <b>FISCAL:</b>         | <input type="checkbox"/> Finance Review<br><input type="checkbox"/> Budget Change |

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| <b>DEPARTMENT/DIVISION HEAD SIGNATURE:</b> | <b>COUNTY ADMINISTRATOR SIGNATURE:</b>   |
|  |  |
| <b>Approved:</b>                           | <b>DISTRIBUTION/FILING INSTRUCTIONS:</b> |
| <b>Denied:</b>                             |  |
| <b>Tabled:</b>                             |  |
| <b>Other:</b>                              |  |
| <b>Deputy Clerk :</b>                      |  |
| <b>Date:</b>                               |  |

**Background/Justification:**

The purpose of this agenda item is to approve estimates of just compensation by market value appraisals for right-of-way for a pedestrian bridge and trail along County Highway 17 at Trunk Highway 169 in the City of Shakopee.

The purpose of County Project (CP) 17-42 on County Highway (CH) 17 between CH 16 and the northbound ramp for Trunk Highway (TH) 169 is to construct a pedestrian bridge over TH 169 and make trail connections on the west side of CH 17 and into the Marschall Road Transit Station.

The project requires additional right-of-way by partial acquisition on two parcels. The County contracted with Patchin Messner Valuation Counselors (PMVC), an independent fee appraisal firm, to complete appraisals to determine the market value for the properties to provide an estimate of just compensation. PMVC has completed and delivered appraisal reports for these properties with a recommended estimate of just compensation. John Foster Appraisals has completed an appraisal review and certifies the appraisal reports as presenting an estimate of market value. Appraisals and appraisal reviews are required for compliance with applicable laws and regulations. The appraisal is the basis for this approval to present a written offer of just compensation.

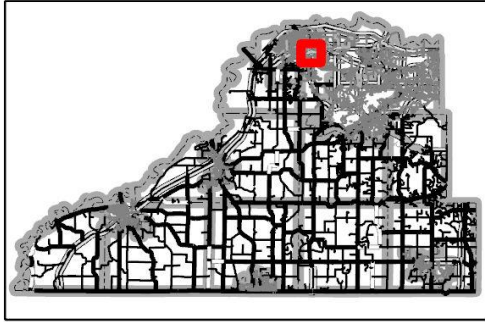
Detail information has been provided to the Board in a separate confidential memorandum per the requirements of Minnesota State Statutes. The Appraisal Reports and the Appraisal Review Reports are available for Board review upon request to the Transportation Services Office.

This project is programmed for 2021 construction in the Transportation Improvement Program (TIP) 2020-2029 as County Project 17-42. There are adequate funds programmed in the 2020 TIP to cover the estimated compensation.

Fiscal Impact:

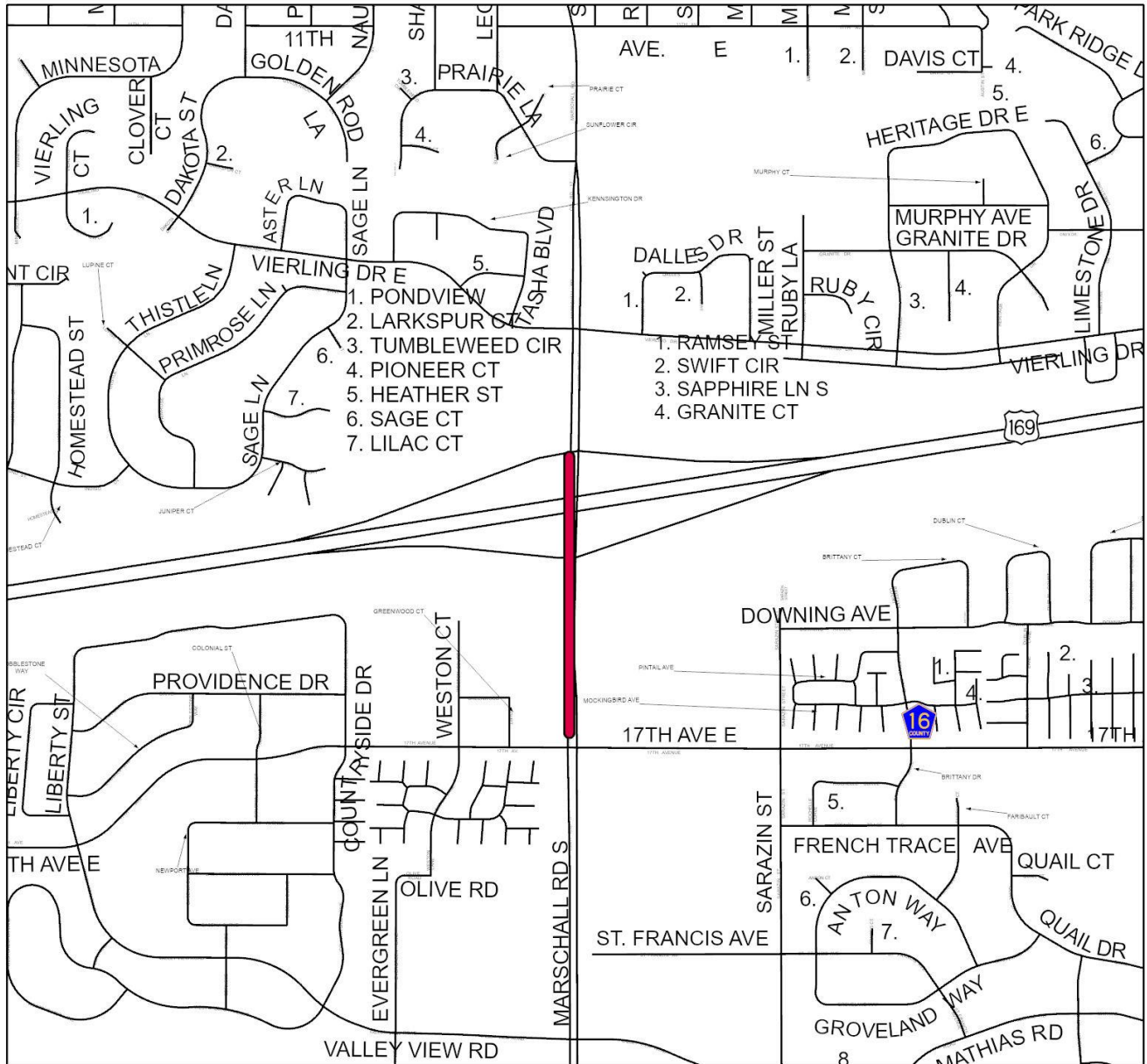
None





# SCOTT COUNTY

2020 RBA CP 17-42



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0 0.050.1 0.2 0.3 Miles



Date: 9/1/2020

**AGENDA #6.14  
SCOTT COUNTY, MINNESOTA  
REQUEST FOR BOARD ACTION  
MEETING DATE: SEPTEMBER 15, 2020**

|                                |  |                        |  |
|--------------------------------|--|------------------------|--|
| <b>ORIGINATING DIVISION:</b>   | OMB – Finance  | <b>CONSENT AGENDA:</b> | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No                          |
| <b>ORIGINATING DEPARTMENT:</b> | Accounting   |                        |  |
| <b>PRESENTER:</b>              | Scott Goettl - 8586  | <b>ATTACHMENTS:</b>    | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No                          |
| <b>PROJECT:</b>                |  | <b>TIME REQUESTED:</b> | N/A  |
| <b>ACTION REQUESTED:</b>       | Approve Record of Disbursements and Approve Claims   |                        |  |
| <b>CONTRACT/POLICY/GRANT:</b>  | <input type="checkbox"/> County Attorney Review<br><input type="checkbox"/> Risk Management Review | <b>FISCAL:</b>         | <input checked="" type="checkbox"/> Finance Review<br><input type="checkbox"/> Budget Change |

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| <b>DEPARTMENT/DIVISION HEAD SIGNATURE:</b> | <b>COUNTY ADMINISTRATOR SIGNATURE:</b>                   |
|  |  |
| <b>Approved:</b>                           | <b>DISTRIBUTION/FILING INSTRUCTIONS:</b><br>Kathy Shanks |
| <b>Denied:</b>                             |  |
| <b>Tabled:</b>                             |  |
| <b>Other:</b>                              |  |
| <b>Deputy Clerk :</b>                      |  |
| <b>Date:</b>                               |  |

**Background/Justification:**

The purpose of this agenda item is to approve the record of disbursements and claims.

To comply with MN Statute 375.18 Subd. 1b **Delegation for paying certain claims:** A list of all claims paid under the procedures established by the county board shall be presented to the board for informational purposes only at the next regularly scheduled meeting after payment of the claim.

The Record of Disbursements will be available at the meeting.

Invoices total \$22,383,402.23 from July 1 through July 31, 2020. This includes tax distributions of \$5,222,326.85.

Fiscal Impact: None

**AGENDA #6.15**  
**SCOTT COUNTY, MINNESOTA**  
**REQUEST FOR BOARD ACTION**  
**MEETING DATE: SEPTEMBER 15, 2020**

|                                |   |                        |   |
|--------------------------------|---|------------------------|---|
| <b>ORIGINATING DIVISION:</b>   | Planning & Res. Mgmt.   | <b>CONSENT AGENDA:</b> | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No               |
| <b>ORIGINATING DEPARTMENT:</b> | Planning  |                        |   |
| <b>PRESENTER:</b>              | Brad Davis - 8654   | <b>ATTACHMENTS:</b>    | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No               |
| <b>PROJECT:</b>                | Credit River Incorporation  | <b>TIME REQUESTED:</b> | NA  |
| <b>ACTION REQUESTED:</b>       | Adopt Resolution No. 2020-145; Supporting the Proposed Incorporation of Credit River Township as a City |                        |   |
| <b>CONTRACT/POLICY/GRANT:</b>  | <input type="checkbox"/> County Attorney Review<br><input type="checkbox"/> Risk Management Review      | <b>FISCAL:</b>         | <input type="checkbox"/> Finance Review<br><input type="checkbox"/> Budget Change |

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| <b>DEPARTMENT/DIVISION HEAD SIGNATURE:</b> | <b>COUNTY ADMINISTRATOR SIGNATURE:</b>   |
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| <b>Approved:</b>                           | <b>DISTRIBUTION/FILING INSTRUCTIONS:</b> |
| <b>Denied:</b>                             |  |
| <b>Tabled:</b>                             |  |
| <b>Other:</b>                              |  |
| <b>Deputy Clerk :</b>                      |  |
| <b>Date:</b>                               |  |

**Background/Justification:**

The purpose of this agenda item is to adopt Resolution No. 2020-145; Supporting the Proposed Incorporation of Credit River Township as a City.

Credit River Township informally notified the County in the summer of 2017 that the Township planned to draft its own 2040 comprehensive plan and land development ordinances in preparation for eventual incorporation. This was the first time a Township in Scott County intended to act on a 2014 state statute change that allows each town in Scott, Carver, Dakota, Anoka, and Washington Counties to prepare its own plan and official



controls. County staff met with Township supervisors and staff to work out this new comprehensive planning arrangement and on August 7, 2018 the County Board formally adopted by resolution this transfer in planning authority. Staff from the two jurisdictions continued to meet throughout 2019 and 2020 to comment on each other's 2040 plans and discuss the eventual transfer of zoning, platting, and addressing authority from the County to Credit River.

On July 10, Credit River formally notified the County of its intent to incorporate as a city. The Town Board also formally requested that the County, along with other neighboring jurisdictions, adopt a resolution supporting Credit River's incorporation. To date, the following jurisdictions have adopted similar supporting resolutions: Cities of Prior Lake, City of Savage, City of Burnsville, New Market Township and Cedar Lake Township. Resolutions from Spring Lake Township and City of Lakeville are expected in the coming weeks.

This summer County and Township staff started discussing and negotiating agreements on prosecution, law enforcement, and building/septic inspection services once Credit River becomes a city. The overall framework for these service agreements was discussed at a Board workshop on August 18; however, none of these service agreements has been finalized by County Attorney's office or Risk Management.

Credit River staff informed the County Board at the August workshop that their intent is to have a public hearing on its petition to incorporate before the Municipal Boundary Adjustment Unit this fall. If this Unit issues an order to authorize incorporation, it becomes effective upon the election and qualification of city officers at a date specified by the administrative law judge – most likely in the first quarter of 2021.

Fiscal Impact:

None.

**BOARD OF COUNTY COMMISSIONERS  
SCOTT COUNTY, MINNESOTA**

|                                  |                    |
|----------------------------------|--------------------|
| <b>Date:</b>                     | September 15, 2020 |
| <b>Resolution No.:</b>           | 2020-145           |
| <b>Motion by Commissioner:</b>   |                    |
| <b>Seconded by Commissioner:</b> |                    |

**RESOLUTION NO. 2020-145; SUPPORTING THE PROPOSED INCORPORATION  
OF CREDIT RIVER TOWNSHIP AS A CITY**

WHEREAS, Credit River Township intends to incorporate into a city pursuant to Minnesota Statutes 414.02; and

WHEREAS, Credit River Township is located with Scott County and has given the Scott County Board of Commissioners notice of the proposed incorporation on July 20, 2020 pursuant to Minnesota Statutes 414.02; and

WHEREAS, Credit River Township held a workshop with the County Board on August 18, 2020 and requested that the Board indicate its support of Credit River Township's incorporation; and

WHEREAS, the following neighboring jurisdictions have already adopted similar supporting resolutions: Cities of Prior Lake, Savage and Burnsville and Townships of Cedar Lake and New Market.

NOW THEREFORE BE IT RESOLVED by the Scott County Board of Commissioners in and for the County of Scott, Minnesota, that the Scott County Board hereby supports the proposed incorporation of Credit River Township as a city.

| <b>COMMISSIONERS</b> | <b>VOTE</b>   |
|----------------------|---|
| Weckman Brekke       | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Absent <input type="checkbox"/> Abstain |
| Wolf                 | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Absent <input type="checkbox"/> Abstain |
| Beard                | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Absent <input type="checkbox"/> Abstain |
| Beer                 | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Absent <input type="checkbox"/> Abstain |
| Ulrich               | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Absent <input type="checkbox"/> Abstain |

**State of Minnesota)**

**County of Scott    )**

I, Lezlie A. Vermillion, duly appointed qualified County Administrator for the County of Scott, State of Minnesota, do hereby certify that I have compared the foregoing copy of a resolution with the original minutes of the proceedings of the Board of County Commissioners, Scott County, Minnesota, at their session held on the 15th day of September, 2020 now on file in my office, and have found the same to be a true and correct copy thereof.

Witness my hand and official seal at Shakopee, Minnesota, this 15th day of September 2020.

\_\_\_\_\_  
\_\_\_\_\_

County Administrator

Administrator's Designee

**Subject:** Re: Incorporation Support Resolution

**Date:** Sunday, September 6, 2020 at 8:03:54 AM Central Daylight Time

**From:** Melissa Hanson <melissahanson@springlaketownship.com>

**To:** Chris Kostik <kostik@creditrivier-mn.gov>

**CC:** bob@couriruppe.com <bob@couriruppe.com>

Hi Chris

Thank you for your email.

The Board considered this last month but tabled it as we did not have the full Board in attendance.

We have it on the agenda again this month—

Thank you!

Melissa Hanson  
Spring Lake Township, Clerk  
20381 Fairlawn Avenue  
Prior Lake, MN 55372

952-492-7030

Office Hours M&W 9:30-2:30

(From mobile-Please excuse the brevity, spelling and punctuation.)

On Sep 5, 2020, at 7:52 AM, Chris Kostik <kostik@creditrivier-mn.gov> wrote:

Melissa,

I am curious if the Spring Lake Twp Board considered and/or approved the resolution to support Credit River's incorporation.

If so would you be able to send me a copy of the signed document?

Thanks!

Chris Kostik | Credit River | Chairman | C:612.986.8162  
18985 Meadow View Blvd | Prior Lake, MN 55372 | [www.creditrivier-MN.gov](http://www.creditrivier-MN.gov) | [kostik@creditrivier-MN.gov](mailto:kostik@creditrivier-MN.gov)

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4646 Dakota Street SE  
Prior Lake, MN 55372

**RESOLUTION 20-085**

**A RESOLUTION SUPPORTING INCORPORATION  
OF CREDIT RIVER TOWNSHIP**

**Motion By:** Braid **Second By:** Burkart

**WHEREAS,** Credit River Township intends to incorporate pursuant to Minnesota Statutes § 414.02; and

**WHEREAS,** the City of Prior Lake abuts the "affected territory" of Credit River Township and has been given notice of the proposed incorporation pursuant to Minnesota Statutes § 414.02; and

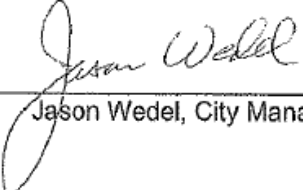
**WHEREAS** Credit River Township has requested that the City of Prior Lake indicate its support of Credit River Township's incorporation.

**NOW THEREFORE, BE IT HEREBY RESOLVED BY THE CITY COUNCIL OF PRIOR LAKE, MINNESOTA** as follows:

1. The City of Prior Lake supports the proposed incorporation of Credit River Township as a city.

Passed and adopted by the Prior Lake City Council this 3rd day of August 2020.

| <b>VOTE</b> | <b>Briggs</b>                       | <b>Thompson</b>                     | <b>Burkart</b>                      | <b>Braid</b>                        |
|-------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| Aye         | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| Nay         | <input type="checkbox"/>            | <input type="checkbox"/>            | <input type="checkbox"/>            | <input type="checkbox"/>            |
| Abstain     | <input type="checkbox"/>            | <input type="checkbox"/>            | <input type="checkbox"/>            | <input type="checkbox"/>            |
| Absent      | <input type="checkbox"/>            | <input type="checkbox"/>            | <input type="checkbox"/>            | <input type="checkbox"/>            |

  
\_\_\_\_\_  
Jason Wedel, City Manager



**RESOLUTION NO. R-20-60**  
**RESOLUTION SUPPORTING INCORPORATION OF**  
**CREDIT RIVER TOWNSHIP**


**WHEREAS**, Credit River Township intends to incorporate pursuant to Minnesota Statutes § 414.02; and

**WHEREAS**, the City of Savage abuts the “affected territory” of Credit River Township and has been given notice of the proposed incorporation pursuant to Minnesota Statutes 414.02; and

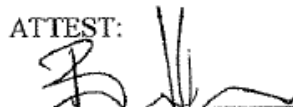
**WHEREAS**, Credit River Township has requested that the City of Savage indicate its support of Credit River Township’s incorporation.

**NOW THEREFORE, BE IT RESOLVED**, by the Mayor and Council of the City of Savage: that the City of Savage supports the proposed incorporation of Credit River Township as a city.

**PASSED AND DULY ADOPTED** by the City Council of the City of Savage, Minnesota, this 3<sup>rd</sup> day of August, 2020.

  
Janet Williams, Mayor

ATTEST:

  
\_\_\_\_\_  
Brad Larson, City Administrator

**RESOLUTION NO. 20-6743**

**CITY OF BURNSVILLE, MINNESOTA**

**RESOLUTION SUPPORTING INCORPORATION  
OF CREDIT RIVER TOWNSHIP**

**WHEREAS**, Credit River Township intends to incorporate pursuant to Minn. Stat. §414.02; and

**WHEREAS**, the City of Burnsville abuts the "affected territory" of Credit River Township and has been given notice of the proposed incorporation pursuant to Minn. Stat. §414.02; and

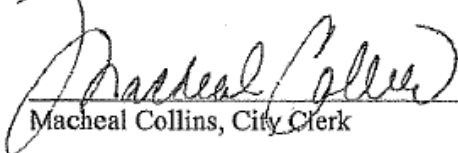
**WHEREAS**, Credit River Township has requested that the City of Burnsville indicate its support of Credit River Township's incorporation.

**NOW THEREFORE, BE IT RESOLVED** by the City Council of the City of Burnsville that the City of Burnsville supports the proposed incorporation of Credit River Township as a city.

Adopted by the City Council of the City of Burnsville, Minnesota this 4<sup>th</sup> day of August, 2020.

  
Elizabeth B. Kautz, Mayor

ATTEST:

  
Macheal Collins, City Clerk

NEW MARKET TOWNSHIP  
COUNTY OF SCOTT  
STATE OF MINNESOTA

RESOLUTION NO. 20-002

RESOLUTION SUPPORTING INCORPORATION  
OF CREDIT RIVER TOWNSHIP

WHEREAS, Credit River Township intends to incorporate pursuant to Minnesota Statutes § 414.02; and

WHEREAS, New Market Township abuts the "affected territory" of Credit River Township and has been given notice of the proposed incorporation pursuant to Minnesota Statutes § 414.02; and

WHEREAS, Credit River Township has requested that New Market Township indicate its support of Credit River Township's incorporation.


NOW THEREFORE BE IT RESOLVED by the Town Board of New Market Township that New Market Township supports the proposed incorporation of Credit River Township as a city.

This resolution was adopted the 4<sup>th</sup> day of August 2020 by the Town Board of New Market Township.



Doug Quast, Chairman

ATTEST:

  
LeRoy Clausen, Clerk

CEDAR LAKE TOWNSHIP  
COUNTY OF SCOTT  
STATE OF MINNESOTA

RESOLUTION NO. 2020-05R

RESOLUTION SUPPORTING INCORPORATION  
OF CREDIT RIVER TOWNSHIP

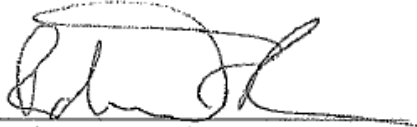
WHEREAS, Credit River Township intends to incorporate pursuant to Minnesota Statutes § 414.02; and

WHEREAS, Cedar Lake Township abuts the "affected territory" of Credit River Township and has been given notice of the proposed incorporation pursuant to Minnesota Statutes § 414.02; and

WHEREAS, Credit River Township has requested that Cedar Lake Township indicate its support of Credit River Township's incorporation.

NOW THEREFORE BE IT RESOLVED by the Town Board of Cedar Lake Township that Cedar Lake Township supports the proposed incorporation of Credit River Township as a city.

This resolution was adopted the 6<sup>th</sup> day of July 2020 by the Town Board of Cedar Lake Township.

  
Robert Puncochar, Chairman

ATTEST:

  
Lorie Speltz, Clerk



**AGENDA #6.16**  
**SCOTT COUNTY, MINNESOTA**  
**REQUEST FOR BOARD ACTION**  
**MEETING DATE: SEPTEMBER 15, 2020**

|                                |  |                        |   |
|--------------------------------|--|------------------------|---|
| <b>ORIGINATING DIVISION:</b>   | Planning & Res. Mgmt.  | <b>CONSENT AGENDA:</b> | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No               |
| <b>ORIGINATING DEPARTMENT:</b> | Zoning Administration  |                        |   |
| <b>PRESENTER:</b>              | Marty Schmitz - 8349   | <b>ATTACHMENTS:</b>    | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No               |
| <b>PROJECT:</b>                | Advanced Exhaust Solutions IUP   | <b>TIME REQUESTED:</b> |   |
| <b>ACTION REQUESTED:</b>       | Approve the Request for a Home Extended Business Interim Use Permit to Operate Advanced Exhaust Solutions (Marko Popovich, Applicant & Marko and Kelly Popovich, Property Owners) in Section 12 of Cedar Lake Township |                        |   |
| <b>CONTRACT/POLICY/GRANT:</b>  | <input type="checkbox"/> County Attorney Review<br><input type="checkbox"/> Risk Management Review   | <b>FISCAL:</b>         | <input type="checkbox"/> Finance Review<br><input type="checkbox"/> Budget Change |

**ORGANIZATIONAL VALUES:**

- ☒ **Customer Service:** We will deliver government services in a respectful, responsive, and solution-oriented manner
- ☐ **Communication:** We will always be clear about what we're doing and why we're doing it
- ☐ **Collaboration:** We will work with partners – communities, schools, faith groups, private business, and non-profit agencies – to see that services are not duplicated but rather are complimentary, aligned and provided by the partners who can deliver the service most effectively
- ☐ **Stewardship:** We will work proactively to make investments, guided by resident input, which will transform lives, communities, and government
- ☐ **Empowerment:** We will work with individuals and families to affirm strengths, develop skills, restore hope, and promote self-reliance
- ☐ **Resiliency:** We will foster public preparedness and respond when families and communities face health and safety emergencies
- ☐ **Innovation:** We will take informed risks to deliver services more effectively and will learn from our successes and failures

|  |  |
|--|--|
| <b>DEPARTMENT/DIVISION HEAD SIGNATURE:</b> | <b>COUNTY ADMINISTRATOR SIGNATURE:</b>   |
|  |  |
| <b>Approved:</b>                           | <b>DISTRIBUTION/FILING INSTRUCTIONS:</b> |
| <b>Denied:</b>                             |  |
| <b>Tabled:</b>                             |  |
| <b>Other:</b>                              |  |
| <b>Deputy Clerk :</b>                      |  |
| <b>Date:</b>                               |  |

**Background/Justification:**

The purpose of this request is to approve the request for a Home Extended Business Interim Use Permit to operate Advanced Exhaust Solutions (Marko Popovich, Applicant & Marko and Kelly Popovich, Property Owners) in Section 12 of Cedar Lake Township.

Advanced Exhaust Solutions (AES) is a premier supplier of exhaust gas silencers, piping, and after-treatment components. They produce everything from nuts, bolts, and gaskets to fully integrated emissions compliant silencing solutions. AES was started in 2015 and has experienced steady growth. The business currently employs two engineers and a designer who work in satellite offices in Tucson, AZ, San Jose, CA, and Prior Lake, MN. AES uses contract manufacturing to produce and ship products to customers. This facility would allow AES to conduct time and motion studies, try new manufacturing processes, and build and ship first articles, one-off components, and small production runs.

There was significant discussion at the Planning Commission meeting related to the planned operations, number of shipments and deliveries to the property, and type of vehicles used for shipments and deliveries (semi-truck, dock truck or FedEx/UPS truck). Based on this discussion, the applicant provided updated information. Staff reviewed the applicant's updated narrative with two members of the Planning Commission who felt the updates were consistent with the discussion at the meeting.

This action was recommended by the Scott County Planning Advisory Commission on July 13, 2020 in accordance with Chapters 2, 8 and 41 of the Scott County Zoning Ordinance No. 3 based on the criteria for approval listed below and an updated narrative to be provided by the applicant that properly described the applicants operations, deliveries and shipment from/to the property.

Fiscal Impact: None

# SCOTT COUNTY, MINNESOTA REQUEST FOR BOARD ACTION

Marko Popovich, Applicant and Marko & Kelly Popovich, Property Owners

## Interim Use Permit

### **Conditions of Approval:**

1. The Interim Use Permit (IUP) is issued to Marko Popovich to operate Advanced Exhaust Solutions as a home-extended business. If the property is sold or the business operations cease for 1 year, the IUP shall terminate.
2. The applicant shall file with the Scott County Zoning Administration in January of each year a statement indicating that he follows the conditions of the Interim Use Permit (IUP).
3. This IUP shall be annually reviewed by the Township at a time and in a manner as prescribed by the Cedar Lake Township Board.
4. The applicant shall pay an annual inspection fee for the IUP, if and when the County adopts an inspection fee ordinance.
5. The business shall be run according to the applicants' narratives and shall comply with all County Zoning Ordinance regulations for home businesses.
6. Any signage shall comply with the Scott County Sign Ordinance and sign regulations for home-extended businesses.
7. There shall be no more than one non-resident employee working on site.
8. The business shall be limited to three (3) business associated vehicles (truck & trailer combinations). No overnight outside storage of vehicles, equipment, products, or materials is allowed.
9. The applicant shall schedule inspections and obtain a Hazardous Waste License as required from Scott County Environmental Services Department.
10. Any floor drains or shop sinks that would have grease/oil/cleaners, etc. must drain to a holding tank.
11. The structure utilized for the business shall meet the requirements of the Scott County Building Official and the State Building Code prior to locating the home extended business on the property. The applicant will need to obtain all required permits and complete all necessary modifications/repairs to the building prior to the business occupying the structure.
12. All deliveries and shipments shall be done by vehicles that conform to the township and county road weight limitations.
13. Prior to business operations from the site the applicant shall schedule a road assessment meeting with the township to assess the condition of Meadow Lane

14. Odors produced by the business shall not extend beyond the property.

**Criteria for Approval (Chapter 2-6-1):**

1. *The use will not create a burden on public facilities and utilities, which serve or are proposed to serve the area.*

The proposed use will not utilize public facilities or utilities, other than the Township and County road. All deliveries and shipments shall be done by vehicles that conform to the township and county road weight limitations.

2. *The use will be sufficiently compatible with, or separated by sufficient distance from, or screened from adjacent agricultural or residential land uses so that there will be no deterrence to the use or development of adjacent land and uses.*

The pole building is existing and is similar to other accessory buildings on adjacent parcels and will be screened from the neighboring residences that are over 1,100' away. The use is allowed on parcels 10 acres or larger in the RR-1C zoning district.

3. *If improvements are made, they shall be so designated and constructed that they are not unsightly in appearance to the extent that it will hinder the orderly and harmonious development of the district wherein proposed.*

The structure is designed of materials that are not unsightly in appearance. The building is similar to accessory buildings located on adjacent properties in the area.

4. *Adequate measures have been taken to provide ingress and egress so designed as to minimize traffic congestion, provide adequate access to public roads, and provide on-site parking.*

The site is accessed by a paved driveway onto Meadow Lane, a paved Cedar Lake Township road that connects to County Road 87 (Revere Avenue) a gravel county roadway. The nature of the business does not generate customer parking and there is ample area for employee parking on the paved areas around the building.

5. *Adequate water supply, Individual Sewage Treatment System facilities, erosion control, and stormwater management are provided in accordance with applicable standards.*

The building was used by the previous owner for a home extended business so there is a bathroom located within the building. Scott County Environmental Health has reviewed the septic system and determined that it is sized adequately to support the home and the business.

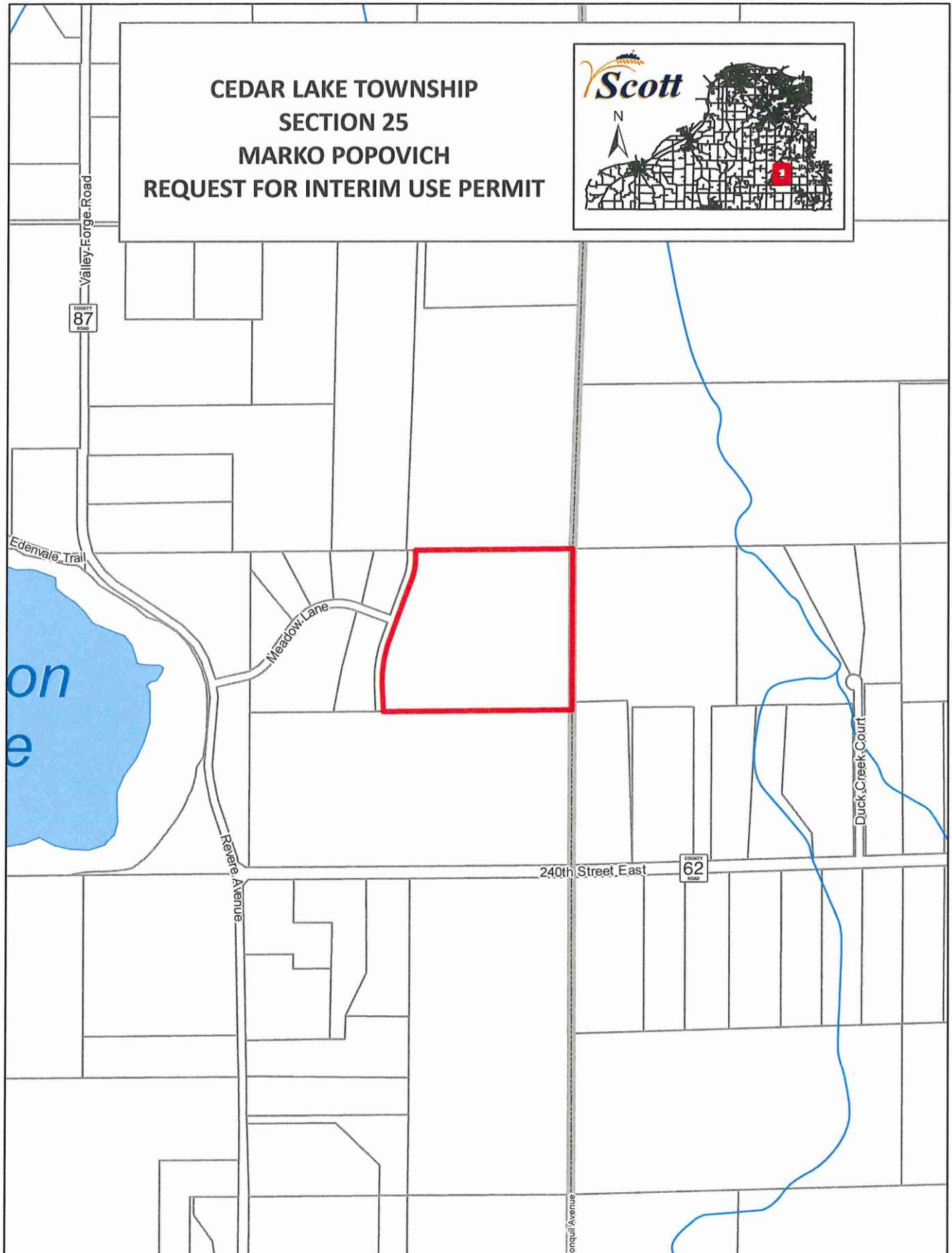
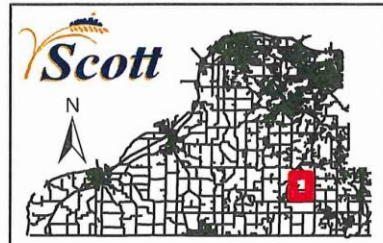
6. *All buildings/structures must meet the intent of the State Building Code and/or fire codes.*

Proposed improvements and any future improvements shall require building permits in compliance with applicable Minnesota State Building Codes. A permit is required for the new use and change in occupancy of the building. The applicant will need to obtain all required permits and complete all necessary modifications/repairs to the building prior to the business occupying the structure.

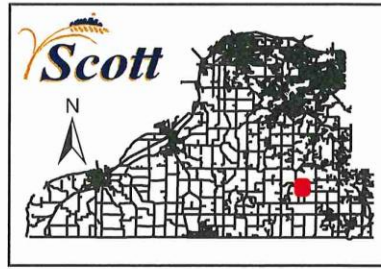
Receiving a building permit and making all necessary modifications to the building to bring it into compliance with the building code has been included as a condition of the IUP.



**CEDAR LAKE TOWNSHIP  
SECTION 25  
MARKO POPOVICH  
REQUEST FOR INTERIM USE PERMIT**



**CEDAR LAKE TOWNSHIP  
SECTION 25  
MARKO POPOVICH  
REQUEST FOR INTERIM USE PERMIT**







5745 Meadow Lane  
Elko, MN 55020

Interim Use Permit  
Request

Revised 8/17/2020

DRAFT ONLY - PLEASE DO NOT CIRCULATE

## Site Plan: Surrounding Area View



## Site Plan: Property View





## Site Plan: Building Specific View



DRAFT ONLY - PLEASE DO NOT CIRCULATE

# About Advanced Exhaust Solutions

- Advanced Exhaust Solutions is a premier supplier of exhaust gas silencers, piping and after-treatment components. From nuts, bolts, and gaskets to fully integrated emissions compliant silencing solutions, and everything in-between, we have you covered. From small to large, we handle your solution with an eye for detail. Utilizing the latest in engineering and design tools, we are able produce product to a higher standard. At Advanced Exhaust Solutions we are heavily invested in being able to provide answers to your structural, fluid flow and acoustic analysis questions. This allows us to engineer your product to work right the first time, every time.

DRAFT ONLY - PLEASE DO NOT CIRCULATE

# About Advanced Exhaust Solutions

- AES was started in November 2015
- AES has been utilizing contract manufacturers to build and ship the products we design and sell.
- We utilize contract manufacturers in MI and MN.



DRAFT ONLY - PLEASE DO NOT CIRCULATE

# About Advanced Exhaust Solutions

- AES employs between 7-20 staff members via contract manufacturing.
- We currently employ two engineers and a designer that work in satellite offices in Tucson, AZ, San Jose, CA and Prior Lake, MN.



DRAFT ONLY - PLEASE DO NOT CIRCULATE

# The Future for Advanced Exhaust Solutions at Meadow Lane

- Due to our steady growth over the past few years AES desires to have in house manufacturing capacity.
- This facility would allow us to:
  - Conduct time and motion studies to determine product cycle times
  - Trial new manufacturing processes
  - Build and ship first articles, one-off components and small production runs
- 1 full time production staff member



DRAFT ONLY - PLEASE DO NOT CIRCULATE



# The Impact of Advanced Exhaust Solutions at Meadow Lane

- Traffic Estimates
  - Employee Traffic:
    - 1 dedicated shop employee 2-4 trips per day
  - Inbound Material (receiving)
    - 1-2 trips per week
  - Outbound Material (shipping)
    - 1-2 trips per week
  - Miscellaneous Traffic
    - 2 trips per day (FedEx, UPS, Amazon, etc.)
- Shipping and receiving hours would be scheduled between 9 am and 3 pm whenever possible.
- Normal hours of operation would be between 7 am and 5 pm Monday through Friday.
- Every effort will be made to use straight trucks for shipping and receiving material in accordance with road axle weight limitations.
- Storage Needs
  - All equipment and materials will be stored indoors, anything outside would only be temporary and is not visible from outside the property
- Noise
  - All work will take place indoors
- Odors
  - Currently AES product is powder coated off site.

DRAFT ONLY - PLEASE DO NOT CIRCULATE

# Local Government Requirements

- Per the Cedar Lake Township board chair Robert Puncochar, Cedar Lake Township will not make a recommendation for or against granting us an interim use permit.
- Cedar Lake Township has asked that a road condition assessment be performed to better understand the condition of the road prior to AES business traffic traveling it.

DRAFT ONLY - PLEASE DO NOT CIRCULATE

**AGENDA #6.17**  
**SCOTT COUNTY, MINNESOTA**  
**REQUEST FOR BOARD ACTION**  
**MEETING DATE: SEPTEMBER 15, 2020**

|  |  |                        |   |
|--|--|------------------------|---|
| <b>ORIGINATING DIVISION:<br/>ORIGINATING DEPARTMENT:</b> | Employee Relations   | <b>CONSENT AGENDA:</b> | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No               |
| <b>PRESENTER:</b>  | Janelle McGlinchey   | <b>ATTACHMENTS:</b>    | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No               |
| <b>PROJECT:</b>  | ---  | <b>TIME REQUESTED:</b> | ---   |
| <b>ACTION REQUESTED:</b>                                 | Approve Payroll Processing of Personnel Actions Indicated Below and Hereby Certified by the Employee Relations Director and the Appointing Authority to be in Compliance With the Provisions of Minnesota Statutes 375.56 – 375.71 and the Scott County Personnel System |                        |   |
| <b>CONTRACT/POLICY/GRANT:</b>                            | <input type="checkbox"/> County Attorney Review<br><input type="checkbox"/> Risk Management Review   | <b>FISCAL:</b>         | <input type="checkbox"/> Finance Review<br><input type="checkbox"/> Budget Change |

**ORGANIZATIONAL VALUES:**

- ☒ **Customer Service:** We will deliver government services in a respectful, responsive, and solution-oriented manner
- ☐ **Communication:** We will always be clear about what we're doing and why we're doing it
- ☐ **Collaboration:** We will work with partners – communities, schools, faith groups, private business, and non-profit agencies – to see that services are not duplicated but rather are complimentary, aligned and provided by the partners who can deliver the service most effectively
- ☐ **Stewardship:** We will work proactively to make investments, guided by resident input, which will transform lives, communities, and government
- ☐ **Empowerment:** We will work with individuals and families to affirm strengths, develop skills, restore hope, and promote self-reliance
- ☐ **Resiliency:** We will foster public preparedness and respond when families and communities face health and safety emergencies
- ☐ **Innovation:** We will take informed risks to deliver services more effectively and will learn from our successes and failures

|  |  |  |  |
|--|--|--|--|
| <b>DEPARTMENT/DIVISION HEAD SIGNATURE:</b> |  | <b>COUNTY ADMINISTRATOR SIGNATURE:</b>   |  |
|  |  |  |  |
| <b>Approved:</b>                           |  | <b>DISTRIBUTION/FILING INSTRUCTIONS:</b><br><br>Janelle McGlinchey, Employee Relations<br>Cara Madsen, Volunteer and Community Coordinator |  |
| <b>Denied:</b>                             |  |  |  |
| <b>Tabled:</b>                             |  |  |  |
| <b>Other:</b>                              |  |  |  |
| <b>Deputy Clerk :</b>                      |  |  |  |
| <b>Date:</b>                               |  |  |  |

**Background/Justification:**

1. Separation of employment for Vinh Phan, FT Principal Solutions Analyst, Office of Management and Budget, effective 09/18/20.
2. Separation of employment for James Hentges, FT County Surveyor, Community Services Division, effective 09/25/20.

3. Separation of employment for Kathleen Davis, FT Assistant Facilities Manager, Planning and Resources Management Division, effective 10/05/20.
4. Separation of employment for Mikaela Brock, FT Office Assistant – Unclassified, Community Services Division, effective 08/18/20.
5. Separation of employment for Randy Hofstad, PT Temporary (34% FTE) Deputy – Unclassified, County Sheriff's Office, effective 08/27/20.
6. FT Probationary employment for Kristen Hayashi, Therapist, Health and Human Services Division, effective 10/01/20.
7. FT Probationary employment for Pam Schiele, Therapist, Health and Human Services Division, effective 09/14/20.
8. FT Probationary employment for Amanda Mary Schmitt, 911 Dispatcher, County Sheriff's Office, effective 09/14/20.
9. FT Probationary employment for Moriah Mueller, Therapist, Health and Human Services Division, effective 08/31/20.
10. FT Temporary employment for Daniel Lage, Office Assistant – Unclassified, Community Services Division, effective 09/14/20.
11. FT Temporary employment for Nicholas Lehman, Office Assistant – Unclassified, Community Services Division, effective 09/14/20.
12. FT Temporary employment for Mary Klein, Office Assistant – Unclassified, Community Services Division, effective 09/14/20.
13. FT Temporary employment for Laura Kvasnicka, Office Assistant – Unclassified, Community Services Division, effective 09/14/20.
14. FT Temporary employment for Elyse Haugen, Office Assistant – Unclassified, Community Services Division, effective 09/14/20.
15. FT Temporary employment for Cynthia Mc Arthur, Office Assistant – Unclassified, Community Services Division, effective 09/10/20.
16. FT Temporary employment for Teresa Manthie, Office Assistant – Unclassified, Community Services Division, effective 09/14/20.
17. FT Temporary employment for Erin Whalen, Office Assistant – Unclassified, Community Services Division, effective 09/10/20.
18. FT Temporary employment for Anthony Ratharaj, Office Assistant – Unclassified, Community Services Division, effective 09/10/20.
19. FT Temporary employment for Ann Nielsen, Office Assistant – Unclassified, Community Services Division, effective 09/14/20.
20. FT Temporary employment for Ann O'Donnell, Office Assistant – Unclassified, Community Services Division, effective 09/10/20.

21. FT Temporary employment for Joan Brosam, Office Assistant – Unclassified, Community Services Division, effective 09/14/20.
22. FT Temporary employment for Beth Fredrickson, Office Assistant – Unclassified, Community Services Division, effective 09/10/20.
23. FT Temporary employment for Alicia Kramer, Office Assistant – Unclassified, Community Services Division, effective 09/10/20.
24. FT Temporary employment for Diana Tyree, Office Assistant – Unclassified, Community Services Division, effective 09/10/20.
25. Promotion for David Schild-Mueller, FT Probationary Taxation Supervisor, Community Services Division, effective 08/31/20.
26. The recognition of the following individuals as volunteers which will enable them to be covered for liability insurance purposes in accordance with the insurance contracts currently in force with Scott County:

|                | Add                  | Delete         |
|----------------|----------------------|----------------|
| Heather Doll   | Cynthia Hauger       | Lloyd Troendle |
| Colin Williams | John Muir            |                |
| Kay Gamble     | Lisa Sandberg-Mendes |                |
| Nathan Keith   |                      |                |

Fiscal Impact: N/A



**AGENDA #7.1**  
**SCOTT COUNTY, MINNESOTA**  
**REQUEST FOR BOARD ACTION**  
**MEETING DATE: SEPTEMBER 15, 2020**

|                                |   |                        |   |
|--------------------------------|---|------------------------|---|
| <b>ORIGINATING DIVISION:</b>   | Health & Human Services   | <b>CONSENT AGENDA:</b> | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No               |
| <b>ORIGINATING DEPARTMENT:</b> |   | <b>ATTACHMENTS:</b>    | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No               |
| <b>PRESENTER:</b>              | Pam Selvig, HHS Director<br>x8492   | <b>TIME REQUESTED:</b> | N/A   |
| <b>PROJECT:</b>                |   |                        |   |
| <b>ACTION REQUESTED:</b>       | Adopt Resolution No. 2020-142; Authorizing Entering Into a Service Agreement With Guild Incorporated to Provide Intensive Residential Treatment and Crisis Bed Stabilization Services |                        |   |
| <b>CONTRACT/POLICY/GRANT:</b>  | <input type="checkbox"/> County Attorney Review<br><input type="checkbox"/> Risk Management Review  | <b>FISCAL:</b>         | <input type="checkbox"/> Finance Review<br><input type="checkbox"/> Budget Change |

**ORGANIZATIONAL VALUES:**

- ☒ **Customer Service:** We will deliver government services in a respectful, responsive, and solution-oriented manner
- ☐ **Communication:** We will always be clear about what we're doing and why we're doing it
- ☒ **Collaboration:** We will work with partners – communities, schools, faith groups, private business, and non-profit agencies – to see that services are not duplicated but rather are complimentary, aligned and provided by the partners who can deliver the service most effectively
- ☒ **Stewardship:** We will work proactively to make investments, guided by resident input, which will transform lives, communities, and government
- ☐ **Empowerment:** We will work with individuals and families to affirm strengths, develop skills, restore hope, and promote self-reliance
- ☒ **Resiliency:** We will foster public preparedness and respond when families and communities face health and safety emergencies
- ☒ **Innovation:** We will take informed risks to deliver services more effectively and will learn from our successes and failures

|  |  |  |  |
|--|--|--|--|
| <b>DEPARTMENT/DIVISION HEAD SIGNATURE:</b> |  | <b>COUNTY ADMINISTRATOR SIGNATURE:</b>                                 |  |
|  |  |  |  |
| <b>Approved:</b>                           |  | <b>DISTRIBUTION/FILING INSTRUCTIONS:</b><br>Pam Selvig<br>Danielle Fox |  |
| <b>Denied:</b>                             |  |  |  |
| <b>Tabled:</b>                             |  |  |  |
| <b>Other:</b>                              |  |  |  |
| <b>Deputy Clerk :</b>                      |  |  |  |
| <b>Date:</b>                               |  |  |  |

**Background/Justification:**

The purpose of this agenda item is to adopt Resolution No. 2020-142; Authorizing Entering Into a Service Agreement With Guild Incorporated to Provide Intensive Residential Treatment and Crisis Bed Stabilization Services.

One in five American adults experiences some form of mental illness in any given year. Nearly 1 in 25 (10 million) adults in America live with a serious mental illness. Scott County had a 96% increase in short-term residential crisis stabilization utilization from 2012 to 2016 and a 76% increase in longer-term Intensive residential treatment service utilization. Scott County continues to see an increase in need for mental health services.

The County's goal is to be able to support each person quickly and with quality care. With the right resources, citizens and their families can set up for ongoing success in their home community. In addition, while the primary focus of these service is on local quality care, there is also an economic advantage. If care can be provided at the right time and prevent a deeper crisis, cost of care can be less than one third of the daily costs of a State facility like Anoka Metro Regional Treatment Center.

Beginning in 2014, the Scott County Board created a strategy that mental illness not be criminalized. The Board Strategy Workgroup was formed, including members from the Sheriff's Office, Savage Police Department, Scott County Social Services, the Scott County Jail, Public Health, the National Alliance on Mental Illness (NAMI), the County Attorney's Office, Scott County Community Corrections, our Local Mental Health Advisory Committee (LAC) and community mental health providers. This group identified mental health crisis service needs for a community based mobile mental health crisis response team and Intensive Residential Treatment Services (IRTS) and Crisis beds.

The design for this facility was created based on the needs identified by Scott County community members. This included individuals who have benefited from services in the past, family members of those with serious mental illness, and professionals within the field. The Savage location will provide opportunities for Scott County residents to receive support in their own community near their family and typical supports. This is a welcome change from the long waitlists and having to travel 120 miles or more to an alternative site.

The IRTS and Crisis program began construction following the groundbreaking ceremony that was held at its future site in Savage on September 16, 2019. This project received \$4.16 million in state bonding funding and has been an excellent example of partnerships. Scott County, the Scott County Community Development Agency, the City of Savage, Guild Incorporated, Dakota County, the Allina Health Foundation, the Minnesota Legislature, our Local Mental Health Advisory, and many others worked together to make this a reality and look forward to the facility opening in 2020. Sixteen single occupancy rooms will be available, and the program will be operated by Guild Incorporated. Adults in need of services will have access to short term crisis stabilization (up to 10 days) and/or intensive residential treatment (up to 90 days).

Crisis stabilization services are individualized mental health services provided following a crisis. These services are designated to restore the person to a pre-crisis level of functioning and include needs assessments, crisis action planning, supportive counseling, skills training, medication support, information, and referral to other services. These services are provided in the community and have 24-hour mental health staff available for support.

IRTS are time-limited mental health services provided in a residential setting for individuals in need of structure and assistance from 24-hour mental health staff for individuals who are at risk of significant functional deterioration if they do not obtain services. Services are designed to develop and enhance psychiatric stability, personal and emotional adjustment, self-sufficiency, and skills to live in a more independent setting.

On November 20, 2018 the County Board entered into a Joint Powers Agreement (JPA) with the Scott County Community Development Agency (CDA) to address the operations and financing of an Intensive Residential Treatment Services Facility (IRTS Facility) to be located in Savage, MN.

In July of 2019 the Board approved an Amended and Restated JPA to reflect changes required from the Grant Agreement with the State, as well as the Lease and Services Agreement with Guild for operations within the Facility.

On August 13, 2019, the Scott County Community Development Agency (CDA) awarded the contract for the construction of the Intensive Residential Treatment Services (IRTS) facility to Shaw-Lundquist.

On September 3, 2019, the Board approved the execution of a Grant Agreement regarding the Residential Mental Health Treatment Facility in the City of Savage.

On January 21, 2020 the Board approved an additional Amended and Restated JPA as required from Minnesota Management and Budget (MMB) in order to send to legal review by the State.

On August 4, 2020 the Board approved the execution of documents related to simplifying the Agreements and ownership structure related to the IRTS Facility.

This agenda item will authorize an Agreement with Guild Incorporated to provide the Intensive Residential Treatment and Crisis Bed Stabilization Services.

The County is required to provide mental health services in accordance with the Comprehensive Adult Mental Health Act and the Comprehensive Children's Mental Health Act, respectively. Under this Agreement Guild will be providing services to persons, age 18 or over, who are experiencing symptoms of psychiatric distress and who may or may not have a diagnosis of mental illness or disorder, or individuals with functional disabilities (including vulnerable adults or adult protection clients) experiencing non-psychiatric emergencies that can put themselves at risk. These services include:

- Assessment and Planning
- Meeting Basic Needs
- Stabilizing of Symptoms and/or Behavioral Issues
- Case Coordination Services
- Transitioning and Discharge Services

Guild will be responsible to screen, assess, and determine an individual's need for admission. Scott County residents have first priority, and one bed will be held at all times for Scott County residents. Out-of-County clients will be accepted based on Admission Criteria outlined in the Agreement.

Services are to be provided in accordance with the requirements of the "Variance to Minnesota Rules Parts 9520.0500 to 9520.0690 (Rule 36) for Intensive Residential Treatment Services (IRTS), certification for crisis Stabilization Services (R36V.15)" published by the Minnesota Department of Human Services.

It is anticipated that the IRTS facility will open in early October.

Fiscal Impact:

None. There is no fiscal impact specific to this Service Agreement. Both Intensive Residential Treatment and Crisis Bed Stabilization Services are billable services to Medical Assistance, Public Medical Assistance Programs (PMAP), some private insurance providers or the County of Financial Responsibility. Other fiscal considerations with this project are within other agreements related to this project.

**BOARD OF COUNTY COMMISSIONERS  
SCOTT COUNTY, MINNESOTA**

|                                  |                    |
|----------------------------------|--------------------|
| <b>Date:</b>                     | September 15, 2020 |
| <b>Resolution No.:</b>           | 2020-142           |
| <b>Motion by Commissioner:</b>   |                    |
| <b>Seconded by Commissioner:</b> |                    |

**RESOLUTION NO. 2020-142; AUTHORIZING ENTERING INTO AN AGREEMENT  
WITH GUILD INCORPORATED TO PROVIDE INTENSIVE RESIDENTIAL TREATMENT  
AND CRISIS BED STABILIZATION SERVICES**

WHEREAS, Scott County, Minnesota (the "County") and the Scott County Community Development Authority (the "CDA") have determined that there is a need within the County for residential mental health treatment facilities; and

WHEREAS, the County is required to provide mental health services in accordance with the Comprehensive Adult Mental Health Act and the Comprehensive Children's Mental Health Act, respectively; and

WHEREAS, the County wishes to enter into an Agreement with Guild Incorporated to provide these Intensive Residential Treatment and Crisis Bed Stabilization Services; and

WHEREAS, it is anticipated that the Intensive Residential Treatment Services Facility will open the end of September, early October.

NOW THEREFORE BE IT RESOLVED, by the Board of Commissioners in and for the County of Scott, Minnesota, that the Chairperson of the Board is authorized to enter into a Contract with Guild Incorporated for providing mental health services.

BE IT FINALLY RESOLVED that approval of this Contract is subject to approval by the County Attorney's Office as to form.

| <b>COMMISSIONERS</b> | <b>VOTE</b>   |
|----------------------|---|
| Weckman Brekke       | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Absent <input type="checkbox"/> Abstain |
| Wolf                 | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Absent <input type="checkbox"/> Abstain |
| Beard                | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Absent <input type="checkbox"/> Abstain |
| Beer                 | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Absent <input type="checkbox"/> Abstain |
| Ulrich               | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Absent <input type="checkbox"/> Abstain |

**State of Minnesota)**  
**County of Scott    )**

I, Lezlie A. Vermillion, duly appointed qualified County Administrator for the County of Scott, State of Minnesota, do hereby certify that I have compared the foregoing copy of a resolution with the original minutes of the proceedings of the Board of County Commissioners, Scott County, Minnesota, at their session held on the 15th day of September, 2020 now on file in my office, and have found the same to be a true and correct copy thereof.

Witness my hand and official seal at Shakopee, Minnesota, this 15th day of September, 2020.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

County Administrator

Administrator's Designee

**AGENDA #8.1**  
**SCOTT COUNTY, MINNESOTA**  
**REQUEST FOR BOARD ACTION**  
**MEETING DATE: SEPTEMBER 15, 2020**

|                                |   |                        |   |
|--------------------------------|---|------------------------|---|
| <b>ORIGINATING DIVISION:</b>   | Administration  | <b>CONSENT AGENDA:</b> | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No               |
| <b>ORIGINATING DEPARTMENT:</b> |   |                        |   |
| <b>PRESENTER:</b>              | Bill Jaffa, Scott County CDA  | <b>ATTACHMENTS:</b>    | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No               |
| <b>PROJECT:</b>                |   | <b>TIME REQUESTED:</b> | 20 Minutes  |
| <b>ACTION REQUESTED:</b>       | Adopt Resolution No. 2020-138; Approving the 2021 Budget in the Amount of \$14,161,676 and Payable Tax Levy in the Amount of \$3,700,036 of the Scott County Community Development Agency and Certifying Same to the County Auditor |                        |   |
| <b>CONTRACT/POLICY/GRANT:</b>  | <input type="checkbox"/> County Attorney Review<br><input type="checkbox"/> Risk Management Review  | <b>FISCAL:</b>         | <input type="checkbox"/> Finance Review<br><input type="checkbox"/> Budget Change |

**ORGANIZATIONAL VALUES:**

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|  |  |
|--|--|
| <b>DEPARTMENT/DIVISION HEAD SIGNATURE:</b> | <b>COUNTY ADMINISTRATOR SIGNATURE:</b>   |
|  |  |
| <b>Approved:</b>                           | <b>DISTRIBUTION/FILING INSTRUCTIONS:</b><br><br>Dana Anderson, Principal Tax Specialist<br>Department of Taxation<br>Cynthia Geis, Community Services Director |
| <b>Denied:</b>                             |  |
| <b>Tabled:</b>                             |  |
| <b>Other:</b>                              |  |
| <b>Deputy Clerk:</b>                       |  |
| <b>Date:</b>                               |  |

**Background/Justification:**

The purpose of this agenda item is to adopt Resolution No. 2020-138; Approving the 2021 Budget in the Amount of \$14,161,676 and Payable Tax Levy in the Amount of \$3,700,036 of the Scott County Community Development Agency (CDA) and Certifying Same to the County Auditor.



As the governing body of Scott County, the County Board must approve the levy of the Special Benefit Tax. In addition, the Scott County CDA has adopted its budget and requests the Scott County Board approve the same.

Attached are the Scott County CDA Resolution and the 2020-2021 CDA comparison of the budgeted use of tax levy dollars. The total Scott County CDA levy for 2021 in the amount of \$3,700,036 equates to an increase of 7.16% (\$247,351).

Bill Jaffa, the CDA Executive Director, will present this item

Fiscal Impact:

Sets the final levy and budget for 2021.

**BOARD OF COUNTY COMMISSIONERS  
SCOTT COUNTY, MINNESOTA**

|                                  |                    |
|----------------------------------|--------------------|
| <b>Date:</b>                     | September 15, 2020 |
| <b>Resolution No.:</b>           | 2020-138           |
| <b>Motion by Commissioner:</b>   |                    |
| <b>Seconded by Commissioner:</b> |                    |

**RESOLUTION NO. 2020-138; APPROVING THE 2021 BUDGET IN THE AMOUNT OF \$14,161,676  
AND PAYABLE TAX LEVY IN THE AMOUNT OF \$3,700,036 OF THE SCOTT COUNTY COMMUNITY  
DEVELOPMENT AGENCY (CDA) AND CERTIFYING SAME TO THE COUNTY AUDITOR**

WHEREAS, in accordance with Minnesota Statutes, Section 469.033, Subd. 6 ("Section 469.033"), and Laws of Minnesota, including Laws of Minnesota for 1974, Chapter 473, as amended (the "Special Law") the Scott County Community Development Agency (the "Agency") is authorized to levy special benefit taxes upon all property within its area of operation; and

WHEREAS, the area of operation of the Agency is the whole of the County of Scott, Minnesota; and

WHEREAS, the Agency has by resolution duly approved and adopted its 2021 budget and levied the special benefits tax, payable 2021, subject to the approval of the Scott County Board of Commissioners (the "Scott County Board"); and

WHEREAS, the Agency is authorized to levy its special benefits tax at rates authorized under Minnesota Statutes, Section 469.033, with the approval of the Scott County Board.

NOW THEREFORE BE IT RESOLVED by the Scott County Board of Commissioners in and for the County of Scott, Minnesota, that the Scott County Board hereby authorizes the Agency to levy its special benefits taxes in an amount sufficient to fund its 2021 budget, subject to the limitation set forth in Minnesota Statutes, Section 469.033. In addition, subject to the foregoing limit, the Scott County Board approves the levy by the Agency from time to time of amounts sufficient to satisfy pledges made by the Agency of proceeds of its special benefit tax levy to pay debt service on bonds issued by the Agency to finance housing development projects.

NOW BE IT FINALLY RESOLVED that the Agency's 2021 Budget, said budget being before the Board, is hereby approved and the Agency is authorized to levy a tax for taxes payable in the year 2021 within its taxing jurisdiction for purposes outlined and authorized by Minnesota Statutes, Section 469.001 to 469.047 and sections 469.090 to 469.180, but in no case shall the dollar levy for the Agency exceed the limits referenced in the preceding paragraph.

| <b>COMMISSIONERS</b> | <b>VOTE</b>                  |                             |                                 |                                  |
|----------------------|------------------------------|-----------------------------|---------------------------------|----------------------------------|
| Weckman Brekke       | <input type="checkbox"/> Yes | <input type="checkbox"/> No | <input type="checkbox"/> Absent | <input type="checkbox"/> Abstain |
| Wolf                 | <input type="checkbox"/> Yes | <input type="checkbox"/> No | <input type="checkbox"/> Absent | <input type="checkbox"/> Abstain |
| Beard                | <input type="checkbox"/> Yes | <input type="checkbox"/> No | <input type="checkbox"/> Absent | <input type="checkbox"/> Abstain |
| Beer                 | <input type="checkbox"/> Yes | <input type="checkbox"/> No | <input type="checkbox"/> Absent | <input type="checkbox"/> Abstain |
| Ulrich               | <input type="checkbox"/> Yes | <input type="checkbox"/> No | <input type="checkbox"/> Absent | <input type="checkbox"/> Abstain |

State of Minnesota)  
County of Scott )

I, Lezlie A. Vermillion, duly appointed qualified County Administrator for the County of Scott, State of Minnesota, do hereby certify that I have compared the foregoing copy of a resolution with the original minutes of the proceedings of the Board of County Commissioners, Scott County, Minnesota, at their session held on the 15th day of September, 2020 now on file in my office, and have found the same to be a true and correct copy thereof.

Witness my hand and official seal at Shakopee, Minnesota, this 15th day of September 2020.

\_\_\_\_\_

County Administrator

\_\_\_\_\_

Administrator's Designee

## Addendum #2

### Scott County CDA Comparison of 2020 Budget to 2021 Budget

| Account Description              | 2020<br>Budget    | 2021<br>Budget    | Dollar<br>Variance | %<br>Var   | Explanation   |
|----------------------------------|-------------------|-------------------|--------------------|------------|---|
| <b>Revenues:</b>                 |                   |                   |                    |            |   |
| Dwelling Rent                    | 8,168,628         | 8,995,507         | 826,879            | 10%        | Addition of Brentwood Terrace & Rent increases          |
| Admin Fee Portable               | 153,336           | 178,357           | 25,022             | 16%        | Inc. in clients porting to County & Mainstream Vouchers |
| Interest Income                  | 59,080            | 55,082            | (3,998)            | -7%        |   |
| Other Income                     | 146,963           | 151,633           | 4,670              | 3%         |   |
| Tax Revenue                      | 3,452,685         | 3,700,036         | 247,351            | 7%         | Matches levy payable schedule from County               |
| Operating Subsidy                | 4,127,752         | 4,402,041         | 274,289            | 7%         | Inc. in clients porting to County & Mainstream Vouchers |
| <b>Subtotal Revenues</b>         | <b>16,108,444</b> | <b>17,482,657</b> | <b>1,374,213</b>   | <b>9%</b>  |   |
| <b>Expenditures:</b>             |                   |                   |                    |            |   |
| Salaries                         | 1,962,374         | 2,148,805         | 186,431            | 10%        | Added Brentwood Terrace staff & standard increases      |
| Legal                            | 45,200            | 37,100            | (8,100)            | -18%       | IRTS & Brentwood Terrace completed in 2020              |
| Staff Training                   | 18,510            | 17,075            | (1,435)            | -8%        |   |
| Travel/Mileage                   | 9,000             | 8,475             | (525)              | -6%        |   |
| Commissioner per Diems           | 7,500             | 7,500             | -                  | 0%         |   |
| Auditing Fees                    | 41,300            | 42,516            | 1,216              | 3%         |   |
| Office Supplies                  | 107,451           | 113,587           | 6,136              | 6%         |   |
| Consultants                      | 100,050           | 169,350           | 69,300             | 69%        | 2021 - Commercial/Housing Study & Bond Refundings       |
| First Stop Shop                  | 38,780            | 49,550            | 10,770             | 28%        | Incr. for Chmura services and potential summer intern   |
| Services / Misc.                 | 302,468           | 336,502           | 34,034             | 11%        | Added Brentwood Terrace                                 |
| Subscriptions / Dues             | 20,420            | 27,720            | 7,300              | 36%        | Added Brentwood Terrace & housing/office subscriptions  |
| Telephone                        | 75,281            | 83,481            | 8,200              | 11%        | Added Brentwood Terrace, standard increases             |
| Postage                          | 18,495            | 20,076            | 1,581              | 9%         |   |
| Association Dues                 | 56,409            | 57,864            | 1,455              | 3%         |   |
| Advertising                      | 38,531            | 41,627            | 3,096              | 8%         |   |
| Inspections                      | 6,000             | 6,000             | -                  | 0%         |   |
| Employee Benefits                | 591,125           | 596,251           | 5,125              | 1%         |   |
| <b>Subtotal - Administration</b> | <b>3,438,894</b>  | <b>3,763,479</b>  | <b>324,584</b>     | <b>9%</b>  |   |
| Water & Sewer                    | 306,125           | 348,665           | 42,540             | 14%        | Added Brentwood Terrace                                 |
| Electricity                      | 175,351           | 179,531           | 4,180              | 2%         |   |
| Gas                              | 142,058           | 150,585           | 8,527              | 6%         |   |
| Other                            | 7,650             | 9,200             | 1,550              | 20%        | Added Brentwood Terrace                                 |
| Trash                            | 86,283            | 88,673            | 2,390              | 3%         |   |
| <b>Subtotal - Utilities</b>      | <b>717,467</b>    | <b>776,654</b>    | <b>59,187</b>      | <b>8%</b>  |   |
| Maintenance Salaries             | 474,316           | 538,443           | 64,128             | 14%        | Added Brentwood Terrace staff & standard increases      |
| Materials                        | 445,406           | 512,224           | 66,818             | 15%        | Added Brentwood Terrace, also based on property needs   |
| Contract Costs                   | 734,763           | 796,162           | 61,399             | 8%         | Added Brentwood Terrace, also based on property needs   |
| Employee Benefits                | 135,587           | 147,103           | 11,516             | 8%         | Added Brentwood Terrace staff & standard increases      |
| <b>Subtotal - Maintenance</b>    | <b>1,790,071</b>  | <b>1,993,932</b>  | <b>203,861</b>     | <b>11%</b> |   |

## Addendum #2

### Scott County CDA Comparison of 2020 Budget to 2021 Budget

| Account Description                      | 2020<br>Budget    | 2021<br>Budget    | Dollar<br>Variance | %<br>Var   | Explanation  |
|--|-------------------|-------------------|--------------------|------------|--|
| Insurance                                | 283,358           | 310,970           | 27,612             | 10%        | Added Brentwood Terrace plus standard increases          |
| PILOT                                    | 329,271           | 367,012           | 37,741             | 11%        | Added Brentwood Terrace                                  |
| Interest Expense                         | 11,900            | 18,250            | 6,350              | 53%        | Now paying previously deferred Rural Dev. loans          |
| Other General Expense                    | 106,663           | 104,457           | (2,206)            | -2%        |  |
| FISH Contribution                        | 65,000            | 65,000            | -                  | 0%         |  |
| <b>Subtotal - General</b>                | <b>796,192</b>    | <b>865,689</b>    | <b>69,497</b>      | <b>9%</b>  |  |
| Other PostEmployment Benefits            | 44,393            | 38,401            | (5,992)            | -13%       | Est. from last OPEB report, new report coming in 2021    |
| Scholarships                             | 8,000             | 8,000             | -                  | 0%         | Increase in level of tenant scholarships                 |
| First Stop Shop NextStage Program        | 420,000           | 71,000            | (349,000)          | -83%       | 2021 - only entrepreneur prgm, new gov. prgm below       |
| Business Rev. Loan & Relief Program      | -                 | 18,750            | 18,750             | N/A        | 2021 - only admin costs of this \$500K program           |
| Gov. Partnership Rev. Loan & Relief Fund | -                 | 18,750            | 18,750             | N/A        | 2021 - only admin costs of this \$500K program           |
| Homeownership Prgm. Grants & Support     | 180,000           | 277,285           | 97,285             | 54%        | Now incl. all program costs not covered by funding       |
| Homework Starts w/ Home Grant            | -                 | 40,000            | 40,000             | #DIV/0!    | New grant awarded for 2021                               |
| Housing Assistance Payments              | 3,579,535         | 3,830,191         | 250,656            | 7%         | Incr. in clients porting to County & Mainstream Vouchers |
| Depreciation                             | 2,306,432         | 2,459,545         | 153,113            | 7%         |  |
| <b>Subtotal - Other Expenses</b>         | <b>6,538,360</b>  | <b>6,761,922</b>  | <b>223,562</b>     | <b>3%</b>  |  |
| <b>Subtotal - Expenses</b>               | <b>13,280,984</b> | <b>14,161,676</b> | <b>880,691</b>     | <b>7%</b>  |  |
| <b>Net Operating Income</b>              | <b>2,827,460</b>  | <b>3,320,981</b>  | <b>493,521</b>     | <b>17%</b> |  |
| Transfer Out - County properties         |                   | -                 | -                  |            |  |
| Transfer Out - River City                |                   |                   |                    |            |  |
| Transfer Out - Hamilton                  |                   |                   |                    |            |  |
| Transfer Out - New Prague                |                   |                   |                    |            |  |
| Transfer Out - Northridge                |                   |                   |                    |            |  |
| Transfer Out - Glendale Place            |                   |                   |                    |            |  |
| Transfer Out - Market Village            |                   |                   |                    |            |  |
| Transfer Out - Brentwood                 |                   |                   |                    |            |  |
| Transfer In/Out - Program Support        |                   |                   |                    |            |  |
| Transfer In/Out - Program Enhancement    |                   |                   |                    |            |  |
| Debt Service                             | (3,179,232)       | (3,302,652)       |                    |            |  |
| <b>Net Income</b>                        | <b>(351,772)</b>  | <b>18,329</b>     |                    |            |  |

**Note:** The CDA is subject to the following governmental oversight.

\* Each year, the CDA is required to have a comprehensive A-133 audit, which includes not only a review of financial data, but also compliance with legal issues and program requirements.

\* On each of the CDA bond issues, the Trustee monitors compliance with provisions of the bond indentures and notifies the CDA immediately of any deficiencies.

\* The USDA - Rural Development monitors compliance with program requirements which include financial aspects of the program, as well as tenant based requirements and physical condition of the property.

\* The Department of Housing and Urban Development (HUD) closely monitors program results and program requirements by insisting on regular and frequent reporting.

\* On the State level, the Minnesota Housing Finance Agency (MHFA) monitors programs and grants closely by insisting on regular and frequent reporting, as well as site visits to review program files.

Addendum #3

Scott County CDA  
Budgeted Use of Tax Levy Dollars - 2021

Budgeted Use of Tax Levy Dollars - 2020  
Fiscal Year 2020

| Description                             | Dollars   | Percentage |
|---|-----------|------------|
| Debt Service/ Cash Contributions        | 603,441   | 17%        |
| Program Support                         | 185,293   | 5%         |
| Concept Planning & Development          | 50,000    | 1%         |
| Salaries and Benefits                   | 586,430   | 17%        |
| Administration                          | 333,862   | 10%        |
| County-Wide Programs*                   | 573,000   | 18%        |
| Investments in County-Wide Developments | 1,120,659 | 32%        |
|   | 3,452,685 | 100%       |

\*Open to Business, EDI Grant Program, FISH, etc.

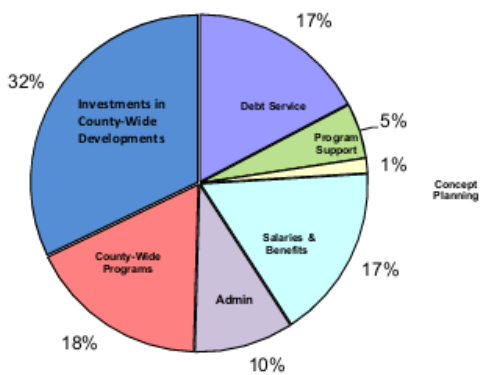
Budgeted Use of Tax Levy Dollars - 2021  
Fiscal Year 2021

| Description                              | Dollars   | Percentage |
|--|-----------|------------|
| Debt Service/ Cash Contributions         | 778,441   | 21%        |
| Program Support                          | 201,468   | 6%         |
| Concept Planning & Development           | 120,000   | 3%         |
| Salaries and Benefits                    | 607,220   | 16%        |
| Administration                           | 348,913   | 9%         |
| County-Wide Programs*                    | 261,500   | 8%         |
| Investments in County-Wide Developments* | 1,382,494 | 37%        |
|  | 3,700,036 | 100%       |

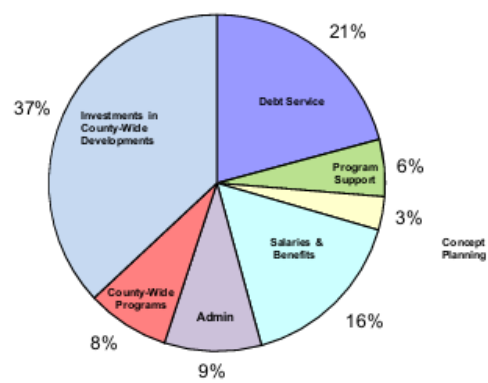
\*Next Stage, FISH, Admin costs of programs noted below, etc.

\*Now includes Business Loan & Relief and Economic Development Assistance Programs

Budgeted Use of Tax Levy Dollars 2020



Budgeted Use of Tax Levy Dollars 2021





# SCOTT COUNTY COMMUNITY DEVELOPMENT AGENCY

## RESOLUTION NO. 31-20

**Authorizing the 2021 General Administrative Operating Budget and the 2021 (Payable) Special Benefits Tax Levy of the Scott County Community Development Agency and Certifying the Levy to the Scott County Board**

**WHEREAS**, the Scott County Community Development Agency (the "Agency") is duly organized and existing under the laws of the State of Minnesota, including Laws of Minnesota for 1974, Chapter 473, as amended (the "Special Law"); and

**WHEREAS**, the Agency, with the approval of the Scott County Board of Commissioners (the "Scott County Board"), may levy special benefit taxes as authorized under Minnesota Statutes, section 469.033, Subd 6 at rates permitted in such section; and

**WHEREAS**, the Agency has prepared its 2021 General Administrative Operating Budget (the "2021 Budget") and seeks approval of the Scott County Board of the 2021 Budget and the Agency's levy of its special benefits tax to continue the work of the Agency in Scott County;

**NOW THEREFORE, BE IT RESOLVED** by the Board of Commissioners of the Scott County Community Development Agency as follows:


1. The 2021 Budget is hereby approved and directed to be submitted to Scott County pursuant to the requirements of Minnesota Statutes, Section 469.033.
2. Subject to the consent of the Scott County Board as required under Minnesota Statutes, Section 469.033 and the Special Law, the Agency levies a special benefit tax in an amount sufficient to fund its 2021 Budget, subject to the limits prescribed by the Special Law, and certifies such levy to the Scott County Board.
3. Upon approval of the Scott County Board of the Agency's levy of the special benefits tax, the County's approving resolution shall be attached hereto and made a part of this resolution.

Adopted this 18th day of August 2020.

M/ Gulstad

S/ Delbow

  
DeAnn Croatt, Chair

  
Terri Gulstad, Secretary



|         |               |
|---------|---------------|
| Croatt  | <u>yes</u>    |
| Delbow  | <u>yes</u>    |
| Gulstad | <u>yes</u>    |
| Sotis   | <u>absent</u> |
| Stock   | <u>yes</u>    |

**AGENDA #9.1**  
**SCOTT COUNTY, MINNESOTA**  
**REQUEST FOR BOARD ACTION**  
**MEETING DATE: SEPTEMBER 15, 2020**

|                               |  |                        |   |
|-------------------------------|--|------------------------|---|
| <b>ORIGINATING DIVISION:</b>  | Office of Management and Budget<br>Budget Office   | <b>CONSENT AGENDA:</b> | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No               |
| <b>PRESENTER:</b>             | Danny Lenz   | <b>ATTACHMENTS:</b>    | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No               |
| <b>PROJECT:</b>               |  | <b>TIME REQUESTED:</b> | 10 Minutes  |
| <b>ACTION REQUESTED:</b>      | Adopt Resolution No. 2020-139; Establishing a Maximum Proposed Levy of \$78,877,211 Less \$5,962,211 Certified Property Tax Aids for a Net Levy of \$72,915,000 for the Purpose of Preparing the 2021 Proposed Property Tax Statements |                        |   |
| <b>CONTRACT/POLICY/GRANT:</b> | <input type="checkbox"/> County Attorney Review<br><input type="checkbox"/> Risk Management Review   | <b>FISCAL:</b>         | <input type="checkbox"/> Finance Review<br><input type="checkbox"/> Budget Change |

**ORGANIZATIONAL VALUES:**

- ☐ **Customer Service:** We will deliver government services in a respectful, responsive, and solution-oriented manner
- ☐ **Communication:** We will always be clear about what we're doing and why we're doing it
- ☐ **Collaboration:** We will work with partners – communities, schools, faith groups, private business, and non-profit agencies – to see that services are not duplicated but rather are complimentary, aligned and provided by the partners who can deliver the service most effectively
- ☒ **Stewardship:** We will work proactively to make investments, guided by resident input, which will transform lives, communities, and government
- ☐ **Empowerment:** We will work with individuals and families to affirm strengths, develop skills, restore hope, and promote self-reliance
- ☐ **Resiliency:** We will foster public preparedness and respond when families and communities face health and safety emergencies
- ☐ **Innovation:** We will take informed risks to deliver services more effectively and will learn from our successes and failures

|  |  |  |                |  |                |  |               |  |                      |  |              |  |  |
|--|--|--|----------------|--|----------------|--|---------------|--|----------------------|--|--------------|--|--|
| <b>DEPARTMENT/DIVISION HEAD SIGNATURE:</b>   | <b>COUNTY ADMINISTRATOR SIGNATURE:</b> |  |                |  |                |  |               |  |                      |  |              |  |  |
|  |  |  |                |  |                |  |               |  |                      |  |              |  |  |
| <table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td style="width: 20%;"><b>Approved:</b></td><td></td></tr> <tr><td><b>Denied:</b></td><td></td></tr> <tr><td><b>Tabled:</b></td><td></td></tr> <tr><td><b>Other:</b></td><td></td></tr> <tr><td><b>Deputy Clerk:</b></td><td></td></tr> <tr><td><b>Date:</b></td><td></td></tr> </table> | <b>Approved:</b>                       |  | <b>Denied:</b> |  | <b>Tabled:</b> |  | <b>Other:</b> |  | <b>Deputy Clerk:</b> |  | <b>Date:</b> |  | <b>DISTRIBUTION/FILING INSTRUCTIONS:</b><br><br>Dana Anderson, Principal Tax Specialist<br>Department of Taxation<br>Cynthia Geis, Community Services Director |
| <b>Approved:</b>   |  |  |                |  |                |  |               |  |                      |  |              |  |  |
| <b>Denied:</b>   |  |  |                |  |                |  |               |  |                      |  |              |  |  |
| <b>Tabled:</b>   |  |  |                |  |                |  |               |  |                      |  |              |  |  |
| <b>Other:</b>  |  |  |                |  |                |  |               |  |                      |  |              |  |  |
| <b>Deputy Clerk:</b>   |  |  |                |  |                |  |               |  |                      |  |              |  |  |
| <b>Date:</b>   |  |  |                |  |                |  |               |  |                      |  |              |  |  |

**Background/Justification:**

The purpose of this agenda item is to adopt Resolution No. 2020-139; Establishing a Maximum Proposed Levy of \$78,877,211 Less \$5,962,211 Certified Property Tax Aids for a Net Levy of \$72,915,000 for the Purpose of Preparing the 2021 Proposed Property Tax Statements.

The deadline to certify the proposed property tax levy for payable 2021 to the County Auditor is September 30, 2020.

The Budget Team is continuing to review all departmental budgets for budget considerations and issues, focusing on both operational and capital needs in preparation for establishing the final budget. Extensive discussion has been held on the preliminary levy information, and the goals, needs, and challenges for 2021. Additional discussion with department managers, County Administration, and the County Board will further refine the budget prior to setting the actual levy which cannot increase above the adopted maximum proposed levy.

The current proposed budget is balanced based on a final levy increase of 1.92%, which is equal to the increase in property values in the County from new construction. The budget was developed with this levy target in mind, but due to uncertainty with state funding, staff is recommending a levy increase of 2.52%. In past years the State has taken actions late in the year that reduce County revenue in the next fiscal year. If the State does not take actions with a negative impact on County revenue by December 15<sup>th</sup>, when the Board will adopt the final budget, the levy increase will be 1.92%. Staff is hopeful that, depending on the severity of any State actions, we may still be able to bring the final levy in at 1.92% even if there is a reduction in funding.

As part of the 2021 budget process staff interacted frequently with the County Board. Presentations occurred on April 30, July 28, and September 1 which provided information on the current conditions and trends facing Scott County.

#### Fiscal Impact:

The proposed 2021 maximum levy of \$72,915,000 is an increase of 2.52% over the 2020 levy, with the intended final levy that will be adopted by the Board on December 15<sup>th</sup> being an increase of 1.92%, which is equal to the new construction growth from 2019.

**BOARD OF COUNTY COMMISSIONERS  
SCOTT COUNTY, MINNESOTA**

|                                  |                    |
|----------------------------------|--------------------|
| <b>Date:</b>                     | September 15, 2020 |
| <b>Resolution No.:</b>           | 2020-139           |
| <b>Motion by Commissioner:</b>   |                    |
| <b>Seconded by Commissioner:</b> |                    |

**RESOLUTION NO. 2020-139; ESTABLISHING A MAXIMUM PROPOSED LEVY OF \$78,877,211  
LESS \$5,962,211 CERTIFIED PROPERTY TAX AIDS FOR A NET LEVY OF \$72,915,000 FOR  
THE PURPOSE OF PREPARING THE 2021 PROPOSED PROPERTY TAX STATEMENTS**

WHEREAS, the Scott County Board of Commissioners annually reviews the types and levels of service Scott County must provide and the associated costs; and

WHEREAS, the Scott County Board of Commissioners is annually challenged with the task of balancing the needs and desires of those served and the ability to pay for these services; and

WHEREAS, the Scott County Board of Commissioners is committed to maintaining reliable and consistent property tax levels; and

WHEREAS, the Scott County Board of Commissioners has established financial principles and sound fiscal policies that support the strategic initiatives.

NOW THEREFORE BE IT RESOLVED that the Board of Commissioners in and for the County of Scott, Minnesota, does hereby adopt the maximum levy for 2021 Truth in Taxation purposes, a levy of \$78,877,211 less \$5,962,211 Property Tax Aids for a net levy of \$72,915,000 which shall be used to prepare the Proposed Property Tax Statements.

| <b>COMMISSIONERS</b> | <b>VOTE</b>   |
|----------------------|---|
| Weckman Brekke       | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Absent <input type="checkbox"/> Abstain |
| Wolf                 | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Absent <input type="checkbox"/> Abstain |
| Beard                | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Absent <input type="checkbox"/> Abstain |
| Beer                 | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Absent <input type="checkbox"/> Abstain |
| Ulrich               | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Absent <input type="checkbox"/> Abstain |

**State of Minnesota)**

**County of Scott    )**

I, Lezlie A. Vermillion, duly appointed qualified County Administrator for the County of Scott, State of Minnesota, do hereby certify that I have compared the foregoing copy of a resolution with the original minutes of the proceedings of the Board of County Commissioners, Scott County, Minnesota, at their session held on the 15th day of September, 2020 now on file in my office, and have found the same to be a true and correct copy thereof.

Witness my hand and official seal at Shakopee, Minnesota, this 15th day of September 2020.

\_\_\_\_\_  
\_\_\_\_\_

County Administrator

Administrator's Designee